



Social Services

District of Sault Ste. Marie Social Services

Administration Board

Conseil d'Administration des Services du District Sault Ste. Marie

Zhawenimi-Anokiitaagewin



AGENDA

DSSMSSAB REGULAR BOARD MEETING

Thursday, May 20, 2021 at 4:30 PM

Zoom Video Conference

1. CALL TO ORDER

2. APPROVAL OF AGENDA

Resolution #21-042

Moved By: D. Edgar

Seconded By: J. Gawne

- 2.1 “**BE IT RESOLVED THAT** the **Agenda for May 20, 2021** District of Sault Ste. Marie Social Services Administration Board meeting be approved as presented.”

3. DECLARATIONS OF PECUNIARY INTEREST

4. APPROVAL OF PREVIOUS MINUTES

Resolution #21-043

Moved By: M. Bruni

Seconded By: K. Lamming

- 4.1 “**BE IT RESOLVED THAT** the **Minutes** from the District of Sault Ste. Marie Social Services Administration Board meeting dated **April 15, 2021** be adopted as recorded.”

5. MANAGERS REPORTS

CORPORATE SERVICES

Resolution #21-044

Moved By: D. Hilsinger

Seconded By: M. Scott

- 5.1 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) accept the May 20, 2021 Audited Financial Statements report of the Director of Corporate Services and recommend approval of the Audited Consolidated Financial Statements for the year ended December 31, 2020 as prepared by KPMG.”

Resolution #21-045

Moved By: J. Gawne

Seconded By: D. Edgar

- 5.2 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) accept the May 20, 2021 DSSMSSAB 2020 Operating Surplus report of the Director of Corporate Services and allocate the operating surplus in the amount of \$1,556,160 to DSSMSSAB reserves for use as determined by the Board.”

HOUSING

Resolution #21-046

Moved By: K. Lamming

Seconded By: C. Gardi

- 5.3 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) accept the May 20, 2021 Additional Funding for Transition Units report of the Director of Housing Services and transfer \$451,921.91 of administration funds remaining from legacy Social Housing Programs to the Sault Ste. Marie Housing Corporation (SSMHC) to be used toward the renovations of the former Sacred Heart School.”

Resolution #21-047

Moved By: M. Bruni

Seconded By: D. Edgar

- 5.4 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) accept the May 20, 2021 Fall Economic Statement Incremental Funding report of the Director of Housing Services and sign the amendment with the Federal Government regarding the Reaching Home agreement in order to secure the additional one time incremental funding allocation for 2021-22 of \$513,871 under the COVID-19 Economic Response Plan;

AND BE IT FURTHER RESOLVED THAT the DSSMSSAB award the full allocation of additional Reaching Home funds to the Sault Ste. Marie Housing Corporation (SSMHC) for the purposes of constructing 22 transitional units at 721 Wellington Street East (former Sacred Heart School).”

ADMINISTRATION

Resolution #21-041

Moved By: D. Hilsinger

Seconded By: J. Gawne

- 5.5 **“BE IT RESOLVED THAT:**

- a) The Corporation is the statutorily recognized Service Manager by the Housing Services Act, 2011 and the recognized Service Manager for agreements that predate the Housing Services Act, 2011 (for example, pursuant to the original Operating Agreement dated December 31, 1982 regarding Neech-Ke-Wehn Homes Inc. and the Canada Mortgage Housing Corporation).
- b) In its capacity as the Service Manager, the Corporation has been notified and has received the resolutions providing for the unanimous passing by the independent Boards of Directors of Neech-Ke-Wehn Homes Inc., Ontario Aboriginal Housing Services Inc., and Niwaakai'iganaanind Aboriginal Housing regarding the transfer all assets and operating agreements from for Neech-Ke-Wehn Homes Inc. and Niwaakai'iganaanind Aboriginal Housing into the newly Amalgamated corporation (Ontario Aboriginal Housing Services Inc).

- c) The Corporation has also been notified and received the resolutions providing for the unanimous acceptance by the Board of Directors for Ontario Aboriginal Housing Services Inc. accepting the transfer all assets and operating agreements from for Neech-Ke-Wehn Homes Inc. and Niwaakai'iganaanind Aboriginal Housing.
- d) The Corporation has reviewed the independent resolutions of the Boards of Directors of the entities noted herein and the Corporation supports the transfer of assets to be completed as soon as possible given the state of financial affairs of the Neech-Ke-Wehn Homes Inc.
- e) The Corporation formally approves and supports the transfer to occur in accordance with the consent(s) required to be obtained as the Service Manager and the Corporation will take steps to obtain the necessary consent(s) required by the Ministry of Housing after the amalgamation is finalized by counsel for Ontario Aboriginal Housing Services Inc.
- f) The Chief Administrative Officer ("CAO") of the Corporation is hereby authorized and directed to do all things and execute all instruments and documents necessary or desirable to carry out the sale and to affix the seal of the Corporation to such documents as require the same.

THE FOREGOING RESOLUTION is hereby consented to by all the directors of the Corporation and signed by the approval CAO hereto in accordance with the provisions of section 129(1) of the *Business Corporations Act* (Ontario), this 28 day of April 2021.

CARRIED by E Vote on April 29, 2021

Resolution #21-048

Moved By: C. Gardi

Seconded By: D. Edgar

- 5.6 **"BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board now enter into closed session for labour management."

Resolution #21-049

Moved By: K. Lamming

Seconded By: M. Scott

- 5.7 **"BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board now returns to open session."

6. CORRESPONDENCE

- 6.1 Correspondence from Minister Steve Clark, dated April 23, 2021 responding to the DSSMSSAB's concerns on the impacts of Bill 204, *Helping Tenants and Small Businesses Act, 2020*.

7. OTHER BUSINESS / NEW BUSINESS

AMO conference registration

8. ADJOURNMENT

Resolution #21-050

Moved By: M. Scott

Seconded By: C. Gardi

- 8.1 **"BE IT RESOLVED THAT** we do now adjourn."

NEXT REGULAR BOARD MEETING

Thursday, June 17, 2021 4:30 PM



Social Services

District of Sault Ste. Marie Social Services

Administration Board

Conseil d'Administration des Services du District Sault Ste. Marie

Zhawenimi-Anokiitaagewin



MINUTES

DSSMSSAB REGULAR BOARD MEETING

Thursday, April 15, 2021 at 4:30 PM

Zoom Video Conference

PRESENT:	L. Dufour	J. Gawne	K. Lamming
	D. Hilsinger	C. Gardi	M. Bruni
	D. Edgar	M. Scott	
STAFF:	M. Nadeau	D. Petersson	S. Ford
	J. Barban	R. Rushworth	A. Kohler
	C. Fairbrother	M. Ceglie	D. Rooney

1. CALL TO ORDER L. Dufour, Board Chair at 4:30

2. APPROVAL OF AGENDA

Resolution #21-027

Moved By: D. Edgar

Seconded By: M. Bruni

2.1 “**BE IT RESOLVED THAT** the **Agenda for April 15, 2021** District of Sault Ste. Marie Social Services Administration Board meeting be approved as presented.”

CARRIED

3. DECLARATIONS OF PECUNIARY INTEREST

NONE

4. APPROVAL OF PREVIOUS MINUTES

Resolution #21-028

Moved By: J. Gawne

Seconded By: K. Lamming

- 4.1 “**BE IT RESOLVED THAT** the Minutes from the District of Sault Ste. Marie Social Services Administration Board meeting dated **March 18, 2021** be adopted as recorded.”

CARRIED

- 5. PRESENTATION** – Melissa Ceglie, Manager Community Services
Low Income Affordable Housing Initiative
London Street Project
Slide deck of the project was reviewed

6. MANAGERS REPORTS

CORPORATE SERVICES

Resolution #21-029

Moved By: C. Gardi

Seconded By: M. Bruni

- 6.1. “**BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) accept the April 15, 2021 Finance Committee report of the Director of Corporate Services;

AND FURTHER BE IT RESOLVED THAT the DSSMSSAB establish a Finance Committee as outlined in the report.”

CARRIED

HOUSING

Resolution #21-030

Moved By: M. Bruni

Seconded By: D. Hilsinger

- 6.2 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) accept the April 15, 2021 Steelton Transitional Bed Funding Report of the Director of Housing Services;

AND FURTHER BE IT RESOLVED THAT the DSSMSSAB allocate Social Services Relief Fund 3 (SSRF3) administration funds in the amount of \$41,956.62 and Community Homelessness Prevention Initiative (CHPI) 2020/21 administration funds of \$32,581, for a total of \$74,537.62, to the Sault Ste. Marie Housing Corporation (SSMHC) for use towards the construction of eight (8) transition beds within the former Steelton Centre.”

CARRIED

Resolution #21-031

Moved By: J. Gawne

Seconded By: D. Edgar

- 6.3 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) accept the April 15, 2021 Additional Funding from Ontario Renovates Revolving Fund Report of the Director of Housing Services and transfer up to \$110,000 from the Ontario Renovates Revolving Fund to the Sault Ste. Marie Housing Corporation (SSMHC) for the purposes of funding the balance of expenses required to complete the renovations to the former Steelton Centre.”

CARRIED

Resolution #21-032

Moved By: M. Bruni

Seconded By: M. Scott

- 6.4 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) accept the April 15, 2021 Canada-Ontario Community Housing Initiative (COCHI) Transfer Payment Agreement Report of the Director of Housing Services and enter into a Contribution Agreement (CA) with La Co-operative d’Habitation la Chaumiere Inc. in the amount of \$111,108.90 for the sole purpose of purchase and installation of replacement windows.”

CARRIED

Resolution #21-033

Moved By: C. Gardi

Seconded By: D. Hilsinger

- 6.5 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) accept the April 15, 2021 Canada-Ontario Community Housing Initiative (COCHI) Transfer Payment Agreement report of the Director of Housing Services and enter into a Contribution Agreement (CA) with Vesta Co-operative Homes Inc. in the amount of \$167,498.75 for the sole purpose of purchase and installation of replacement windows.”

CARRIED

Resolution #21-034

Moved By: M. Scott

Seconded By: J. Gawne

- 6.6 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) accept the April 15, 2021 Canada-Ontario Community Housing Initiative (COCHI) Transfer Payment Agreement report of the Director of Housing Services and enter into a Contribution Agreement (CA) with Orion Co-operative Housing Corp. in the amount of \$147,343.40 for the sole purpose of purchase and installation of replacement windows.”

CARRIED

ONTARIO WORKS

Resolution #21-035

Moved By: D. Edgar

Seconded By: C. Gardi

- 6.7 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) accept the April 15, 2021 Housing Stability Bank report of the Director of Income and Employment Supports as information.”

CARRIED

PARAMEDIC SERVICES

Resolution #21-036

Moved By: M. Bruni

Seconded By: K. Lamming

- 6.8 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) accept the April 15, 2021 PeerConnect App report of the Chief of Paramedic Services as information.”

CARRIED

EARLY YEARS

Resolution #21-037

Moved By: M. Scott

Seconded By: D. Hilsinger

- 6.9 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) accept the April 15, 2021 St. Paul Before and After School Program report of the Director of Early Years Services as information.”

CARRIED

Resolution #21-039

Moved By: M. Bruni

Seconded By: D. Edgar

- 6.10 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board now enter into closed session for security of property of the DSSMSSAB.”

CARRIED

Entered into closed session at 5:20 PM

Resolution #21-040

Moved By: K. Lamming

Seconded By: M. Scott

- 6.11 **“BE IT RESOLVED THAT** the District of Sault Ste. Marie Social Services Administration Board now returns to open session.”

CARRIED

Returned to open session at 5:34 PM

7. CORRESPONDENCE

- 7.1 Correspondence dated March 30, 2021 from Christine Elliott, Minister of Health, advising the DSSMSSAB of additional one time Covid funding for the Garden River EMS Base.
- 7.2 Correspondence dated March 30, 2021 from Christine Elliott, Minister of Health, advising the DSSMSSAB of additional one time Covid funding for Paramedic Services.

8. OTHER BUSINESS / NEW BUSINESS

9. ADJOURNMENT

Resolution #21-038

Moved By: M. Scott

Seconded By: C. Gardi

- 9.1 **"BE IT RESOLVED THAT** we do now adjourn."

CARRIED

Meeting adjourned at 5:35 PM

NEXT REGULAR BOARD MEETING

Thursday, May 20, 2021 4:30 PM



Social Services

District of Sault Ste. Marie Social Services

Administration Board

Conseil d'Administration des Services du District Sault Ste. Marie

Zhawenimi-Anokiitaagewin



BOARD REPORT

AUTHOR: David Petersson

DATE: May 20, 2021

RE: Audited Financial Statements for Year ended December 31, 2020

RECOMMENDATION

The Finance Committee recommends the approval of the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) Audited Consolidated Financial Statements for the year ended December 31, 2020 as prepared by KPMG.

BACKGROUND INFORMATION

The annual audit is required each year and requested by each Provincial Ministry that funds our organization. This includes the Ministry of Children, Community and Social Services (MCCSS), Ministry of Education (MEDU), Ministry of Housing (MOH), and the Ministry of Housing and Long Term Care (MOHLTC).

SUMMARY/OVERVIEW

The audit fieldwork commenced on March 15, 2021. Based upon the materiality set by KPMG, the audit consisted of examining a sample of transactions for the 2020 fiscal year as well as discussions with management on matters applicable to the audit year.

The Finance Committee met and reviewed the Audited Financial Statements at a committee meeting held on May 4, 2021.

STRATEGIC PLAN IMPACT

The results of the audit for the year ended December 31, 2020 support each divisional program objectives and ensures alignment with the three pillars of the Strategic Plan, that being Organizational Excellence, Service Delivery, and Community Partnerships.

FINANCIAL IMPLICATIONS

There are no financial implications for the DSSMSSAB.

DATE: May 20, 2021

CONCLUSION

As noted on the Audited Consolidated Financial Statements, the Independent Auditors' Report (KPMG) issued a "clean" unqualified audit opinion as stated below:

"In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020 and its consolidated results of operations, its consolidated changes in net financial assets (debt), its consolidated cash flows and its remeasurement losses for the year then ended in accordance with Canadian public sector accounting standards."

Respectfully submitted,



David Petersson
Director of Corporate Services

Approved by:



Mike Nadeau
Chief Executive Officer

Consolidated Financial Statements of

**DISTRICT OF SAULT STE. MARIE SOCIAL
SERVICES ADMINISTRATION BOARD**

Year ended December 31, 2020

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Index to Consolidated Financial Statements

Year ended December 31, 2020

	Page
Consolidated Financial Statements:	
Management's Responsibility for the Consolidated Financial Statements	
Independent Auditors' Report	
Consolidated Statement of Financial Position	1
Consolidated Statement of Operations and Accumulated Operating Surplus.....	2
Consolidated Statement of Change in Net Financial Assets (Debt).....	3
Consolidated Statement of Cash Flows.....	4
Consolidated Statement of Remeasurement Losses	5
Notes to Consolidated Financial Statements.....	6 - 21

Management's Responsibility for the Consolidated Financial Statements

The accompanying consolidated financial statements of District of Sault Ste. Marie Social Services Administration Board (the "Board") are the responsibility of the Board's management and have been prepared in compliance with legislation, and in accordance with Canadian public sector accounting standards. A summary of the significant accounting policies are described in Note 1 to the consolidated financial statements. The preparation of consolidated financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Board's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the consolidated financial statements. These systems are monitored and evaluated by management.

The Board meets with management and the external auditors to review the consolidated financial statements and discuss any significant financial reporting or internal control matters prior to their approval of the consolidated financial statements.

The consolidated financial statements have been audited by KPMG LLP, independent external auditors appointed by the Board. The accompanying Independent Auditors' Report outlines their responsibilities, the scope of their examination and their opinion on the Board's consolidated financial statements.

Chief Executive Officer

Director of Corporate Services



KPMG LLP
111 Elgin Street, Suite 200
Sault Ste. Marie ON P6A 6L6
Canada
Telephone (705) 949-5811
Fax (705) 949-0911

INDEPENDENT AUDITORS' REPORT

To the Members of the District of Sault Ste. Marie Social Services Administration Board

Opinion

We have audited the consolidated financial statements of District of Sault Ste. Marie Social Services Administration Board (the Entity), which comprise:

- the consolidated statement of financial position as at December 31, 2020
- the consolidated statement of operations and accumulated operating surplus for the year then ended
- the consolidated statement of change in net financial assets (debt) for the year then ended
- the consolidated statement of cash flows for the year then ended
- the consolidated statement of remeasurement losses for the year then ended
- and notes to the consolidated financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at December 31, 2020 and its consolidated results of operations, its consolidated changes in net financial assets (debt), its consolidated cash flows and its remeasurement losses for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the **"Auditors' Responsibilities for the Audit of the Consolidated Financial Statements"** section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Chartered Professional Accountants, Licensed Public Accountants

Sault Ste. Marie, Canada
May 10, 2021

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Financial Position

December 31, 2020, with comparative information for 2019

	2020	2019
Financial assets		
Cash and cash equivalents	\$ 18,759,883	\$ 15,140,732
Accounts receivable	2,118,195	1,019,560
Receivable from City of Sault Ste. Marie	-	496,471
	<u>20,878,078</u>	<u>16,656,763</u>
Financial liabilities		
Accounts payable and accrued liabilities	3,120,733	4,449,057
Payable to Province of Ontario	7,643,310	3,093,444
Interest rate swaps	413,047	-
Long-term debt (note 3)	10,375,665	505,769
Employee future benefits (note 4)	2,064,778	1,370,547
	<u>23,617,533</u>	<u>9,418,817</u>
Net financial assets (debt)	(2,739,455)	7,237,946
Non-financial assets		
Tangible capital assets (note 5)	27,442,654	12,024,245
Prepaid expenses	1,539,577	2,102,618
	<u>28,982,231</u>	<u>14,126,863</u>
Forgivable loans (note 2)		
Commitments (note 10)		
Impact of COVID-19 (note 14)		
Accumulated surplus (note 6)	\$ 26,242,776	\$ 21,364,809
Accumulated surplus is comprised of:		
Accumulated operating surplus	26,655,823	21,364,809
Accumulated remeasurement losses	(413,047)	-
	<u>\$ 26,242,776</u>	<u>\$ 21,364,809</u>

The accompanying notes are an integral part of these consolidated financial statements.

Approved by the Board:

_____ Director

_____ Director

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Operations and Accumulated Operating Surplus

Year ended December 31, 2020, with comparative information for 2019

	2020 Budget (note 11)	Actual 2020	Actual 2019
Revenue:			
Province of Ontario	\$ 43,558,501	\$ 40,843,336	\$ 45,615,191
Government of Canada	5,272,494	3,614,191	3,037,605
Participating municipalities	20,510,746	20,510,746	20,398,968
Other	46,400	46,205	67,403
Investment income	320,000	198,647	411,114
Rental income	3,329,300	3,771,796	3,148,817
Total revenue	73,037,441	68,984,921	72,679,098
Expenses (note 9):			
General assistance	28,801,069	24,347,184	26,159,299
Housing services	18,831,386	17,907,116	16,887,081
Administration	2,592,674	2,401,333	2,546,386
Early years services	13,235,615	8,680,557	11,931,882
Land ambulance	8,962,132	8,793,963	8,138,587
Amortization of tangible capital assets	1,035,883	1,035,883	498,469
Total expenses	73,458,759	63,166,036	66,161,704
Annual operating (deficit) surplus, before the undernoted	(421,318)	5,818,885	6,517,394
Assumption of employee future benefit liability (note 13)	-	(527,871)	-
Annual operating surplus	(421,318)	5,291,014	6,517,394
Accumulated operating surplus, beginning of year	21,364,809	21,364,809	14,847,415
Accumulated operating surplus, end of year	\$ 20,943,491	\$ 26,655,823	\$ 21,364,809

The accompanying notes are an integral part of these consolidated financial statements.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Change in Net Financial Assets (Debt)

Year ended December 31, 2020, with comparative information for 2019

	2020 Budget (note 11)	Actual 2020	Actual 2019
Annual surplus (deficit)	\$ (421,318)	\$ 5,291,014	\$ 6,517,394
Acquisition of tangible capital assets	(5,366,261)	(16,463,134)	(6,044,939)
Loss on disposal of tangible capital assets	-	8,842	-
Amortization of tangible capital assets	1,035,883	1,035,883	498,469
	(4,751,696)	(10,127,395)	970,924
Acquisition of prepaid expense	-	(1,539,577)	(2,102,618)
Use of prepaid expenses	-	2,102,618	1,199,239
Remeasurement losses	-	(413,047)	-
Change in net financial assets	(4,751,696)	(9,977,401)	67,545
Net financial assets, beginning of year	-	7,237,946	7,170,401
Net financial assets (debt), end of year	\$ (4,751,696)	\$ (2,739,455)	\$ 7,237,946

The accompanying notes are an integral part of these consolidated financial statements.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Remeasurement Losses

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Accumulated remeasurement losses, beginning of year	\$ -	\$ -
Unrealized losses attributed to:		
Derivative - interest rate swaps	(413,047)	-
Accumulated remeasurement losses, end of year	\$ (413,047)	\$ -

The accompanying notes are an integral part of these consolidated financial statements.

DRAFT

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Consolidated Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Cash provided by (used in):		
Operating activities:		
Annual surplus	\$ 5,291,014	\$ 6,517,394
Items not involving cash:		
Amortization of tangible capital assets	1,035,883	498,469
Loss on disposal of tangible capital assets	8,842	-
Change in employee future benefits	694,231	59,699
	7,029,970	7,075,562
Change in non-cash assets and liabilities:		
Accounts receivable	(1,098,635)	(1,232)
Receivable from City of Sault Ste. Marie	496,471	695,644
Accounts payable and accrued liabilities	(1,328,324)	(864,295)
Payable to Province of Ontario	4,549,866	(1,888,777)
Prepaid expenses	563,041	(903,379)
Net change in cash from operating activities	10,212,389	4,113,523
Capital activities:		
Cash used to acquire tangible capital assets	(16,463,134)	(6,044,939)
Financing activities:		
Proceeds of long-term debt	10,150,000	-
Long-term debt principal repayments	(280,104)	(463,570)
Net change in cash from financing activities	9,869,896	(463,570)
Net change in cash and cash equivalents	3,619,151	(2,394,986)
Cash and cash equivalents, beginning of year	15,140,732	17,535,718
Cash and cash equivalents, end of year	\$ 18,759,883	\$ 15,140,732

The accompanying notes are an integral part of these consolidated financial statements.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

The District of Sault Ste. Marie Social Services Administration Board was formed under the District Social Services Administration Board Act of the Province of Ontario to accommodate the provincial government's requirement to consolidate the delivery of social assistance, child care, social housing, land ambulance and other various government funded programs. The District of Sault Ste. Marie Social Services Administration Board delivers provincially mandated services on behalf of the citizens of the District of Sault Ste. Marie

1. Significant accounting policies:

The consolidated financial statements of the District of Sault Ste. Marie Social Services Administration Board (the "Board") are prepared by management in accordance with Canadian generally accepted accounting principles for government organizations as recommended by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada. Significant aspects of the accounting policies adopted by the Board are as follows:

(a) Basis of accounting:

Revenue and expenses are reported on the accrual basis of accounting.

The accrual basis of accounting recognizes revenue as they are earned and measurable. Expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(b) Reporting entities:

The consolidated financial statements reflect the assets, liabilities, revenues, expenses and accumulated surplus of the reporting entity and its wholly owned subsidiary the Sault Ste. Marie Housing Corporation and its wholly owned subsidiary 2733106 Ontario Inc. Inter-organization transactions and balances between these organizations have been eliminated.

(c) Financial instruments:

All financial instruments are initially recorded on the statement of financial position at fair value.

All investments, if any, held in equity instruments that trade in an active market are recorded at fair value. Management has elected to record investments at fair value as they are managed and evaluated on a fair value basis. Freestanding derivative instruments that are not equity instruments that are quoted in an active market are subsequently measured at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

All financial assets are assessed for impairment on an annual basis. Where a decline in fair value is determined to be other than temporary, the amount of the loss is recognized in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses. On sale, the statement of remeasurement gains and losses associated with that instrument are reversed and recognized in the statement of operations.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

1. Significant accounting policies (continued):

(c) Non-financial assets (continued):

Financial instruments are classified into fair value hierarchy Levels 1, 2 or 3 for the purposes of describing the basis of the inputs used to determine the fair market value of those amounts recorded a fair value, as described below:

Level 1 – Fair value measurements are those derived from quoted prices unadjusted) in active markets for identical assets or liabilities;

Level 2 – Fair value measurements are those derived from market-based inputs other than quoted prices that are observable for the asset or liability, either directly or indirectly;

Level 3 – Fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data.

All financial instruments are Level 1 except for the interest rate swap which is Level 2.

(d) Non-financial assets:

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the ordinary course of operations.

i. Tangible capital assets

Tangible capital assets are recorded at cost which includes amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight-line basis over their estimated useful lives as follows:

Asset	Useful Life – Years
Buildings	40 - 60
Vehicles	5 - 7
Furniture and equipment	5

Amortization is charged in the year of acquisition and in the year of disposal. Assets under construction are not amortized until the asset is available for use.

ii. Contributions of tangible capital assets

Tangible capital assets received as contributions are recorded at their fair value at the date of receipt and are recorded as revenue.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

1. Significant accounting policies (continued):

(e) Cash and cash equivalents:

Cash and cash equivalents are represented by cash on hand, cash on deposit in chartered banks and investments that mature within three months.

(f) Reserves and reserve funds:

Certain amounts, as approved by the Board, are set aside in reserves or reserve funds for future operating and capital purposes. Transfers to and/or from the reserves and reserve funds are an adjustment to the respective fund when approved.

(g) Government subsidies:

Government subsidies are recognized in the consolidated financial statements as revenues in the period in which events giving rise to the subsidy occur, providing the subsidies are authorized, any eligibility criteria have been met and reasonable estimates of the amounts can be made.

(h) Revenue recognition:

Restricted contributions, except for the Land Ambulance Program, are recognized as revenue in the year in which the related expenses are incurred. In the Land Ambulance Program, the Ministry of Health funding model permits the inclusion of prior years' deficits in the current year budgeting process. The restricted contributions related to the funding of the deficit are recognized in revenue when the budget is approved by the Ministry.

Unrestricted investment income is recognized as revenue when earned.

Rental revenue is recognized monthly when the units are occupied and if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenses are made.

(i) Use of estimates:

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying value of tangible capital assets, employee future benefits and valuation allowances for receivables and Canada – Ontario Affordable Housing Program Loans. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the statement of operations in the year in which they become known.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

1. Significant accounting policies (continued):

(j) Employee future benefits:

- i) The Board provides certain benefits which will require funding in future periods. These benefits include sick leave, benefits under the Workplace Safety and Insurance Board Act, and life insurance, extended health and dental benefits for early retirees.

The costs of sick leave, benefits under the Workplace Safety and Insurance Board Act and life insurance, extended health and dental benefits are actuarially determined using management's best estimate of salary escalation, accumulated sick days at retirement, insurance and health care cost trends, long-term inflation rates and discount rates.

- ii) For self-insured retirement and other employee future benefits that vest or accumulated over the periods of service provided by employees, such as retirement gratuities, compensated absences and health, dental and life insurance benefits for retirees, the cost is actuarially determined using the projected benefits method prorated on service. Under this method, the benefit costs are recognized over the expected average service life of the employee group. Any actuarial gains and losses related to the past service of employees are amortized over the expected average remaining service life of the employee group.

For those self-insured benefit obligations that arise from specific events that occur from time to time, such as obligations for workers' compensation and life insurance and health care benefits for those on disability leave, the cost is recognized immediately in the period the events occur. Any actuarial gains and losses that are related to these benefits are recognized immediately in the period they arise.

- iii) The costs of multi-employer defined contribution pension plan benefits, such as the Ontario Municipal Employees Retirement System ("OMERS") pensions, are the employer's contributions due to the plan in the period.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

2. Forgivable loans:

The Board administers various programs under the Canada-Ontario Affordable Housing Program ("AHP") and the Social Infrastructure Fund ("SIF"). Funds received under these programs assist with certain housing repairs to low to moderate income residents of Northern Ontario and funding for new rental housing units to low-income seniors and persons with disabilities, in the form of forgivable loans. These loans are forgivable over 10 to 20-year periods based on specific provisions in each program, provided that certain conditions and requirements are maintained by the loan recipients. In the event of default loans are repaid by the funding recipients. The Board is required to reinvest these amounts through new loans within the related program or return the funding and as such, any amounts not yet distributed under these programs is included in the Payable to Province of Ontario.

During the year, \$123,251 (2019 - \$302,171) was advanced as loans under the Program. The net payable at December 31, 2020 was \$235,316 (2019 - \$421,246) which represents the amounts held by the Board to either be issued as new forgivable loans under the AHP and SIF programs or returned to the funders. During the year, a total of \$611,504 (2019 - \$679,628) in loan balances was forgiven.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

3. Long-term debt:

	2020	2019
Canada Mortgage and Housing Corporation, various debentures, interest rates varying from 6.09% to 6.34%, annual payments totaling \$257,264 due dates ranging from January 2020 to December 2023, secured by real property	\$ 279,902	\$ 505,769
2.47% mortgage payable in monthly instalments of \$11,812, including interest, due June 2050, secured by land and building in Sault Ste. Marie, Ontario (a)	2,966,051	—
2.56% mortgage payable in monthly instalments of \$29,904, including interest, due July 2050, secured by land and building in Sault Ste. Marie, Ontario (a)	6,238,451	—
2.29% mortgage payable in monthly instalments of \$3,459, including interest, due November 2050, secured by land and building in Sault Ste. Marie, Ontario (a)	891,261	—
	\$ 10,375,665	\$ 505,769

Principal repayments required for the next five years and thereafter are as follows:

2021	\$ 470,906
2022	259,760
2023	260,044
2024	249,077
2025	255,405
Thereafter	8,880,473
	\$ 10,375,665

- (a) To reduce the interest rate cash flow risk on the mortgages, the Board has entered into interest rate swap contracts that entitles the Board to receive interest at floating rates on the notional principal amount and obliges it to pay interest at fixed rates of 2.47%, 2.56% and 2.29% respectively over the entire terms of the mortgages. The fair value of the interest rate swaps at December 31, 2020 are (\$431,047) (2019 - \$nil).

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

4. Employee future benefit obligations:

Employee future benefits are liabilities of the Board to its employees and early retirees for the following benefits earned but not taken as at December 31 are as follows:

	2020	2019
Post-employment and post-retirement benefits	\$ 1,306,599	\$ 960,893
Vacation pay	48,578	24,226
Non-vesting sick leave benefits	709,601	385,428
	\$ 2,064,778	\$ 1,370,547

Post employment and post retirement benefits

The Board provides non-pension benefits to employees and retirees until they reach 65 years of age. The values that follow have been estimated based upon employee data available during the actuarial review which was completed as at December 31, 2018.

The benefit liability continuity is as follows:

	2020	2019
Accrued benefit liability, January 1	\$ 960,893	\$ 952,337
Benefit cost	88,407	52,577
Interest cost	31,585	23,667
Assumption of employee future benefit liabilities from City of Sault Ste. Marie (note 13)	281,871	–
Benefit payments	(29,006)	(35,001)
Actuarial loss	(27,151)	(32,687)
Accrued benefit liability, December 31	\$ 1,306,599	\$ 960,893

Significant assumptions:

Discount rate 2.25% (2019 – 3.00%)

Health cost increase 5.0% – 6.25% (2019 – 5.0% – 6.25%)

Accrued vacation pay:

Accrued vacation pay represents the liability for vacation entitlements earned by employees but not taken as at December 31, 2020.

Non-vesting sick leave benefits:

Sick leave benefits accrue to Board employees at a rate of one and a half days per month. Unused sick days are banked and may be used in the future if sick leave is beyond yearly allocation. No cash payments are made for unused sick time upon termination or retirement.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

5. Tangible capital assets:

Cost	Balance at December 31, 2019	Additions	Disposals and Transfers	Balance at December 31, 2020
Land	\$ 1,756,634	1,618,100	-	\$ 3,374,734
Buildings	7,184,980	20,189,593	-	27,374,573
Vehicles	1,688,631	228,479	(282,603)	1,634,507
Furniture and equipment	952,564	451,686	(109,203)	1,295,047
Construction-in-progress	6,024,724	-	(6,024,724)	-
Total	\$ 17,607,533	22,487,858	(6,416,530)	\$ 33,678,861

Accumulated Amortization	Balance at December 31, 2019	Disposals	Amortization Expense	Balance at December 31, 2020
Land	\$ -	-	-	\$ -
Buildings	3,987,600	-	709,693	4,697,293
Vehicles	1,009,569	(282,602)	189,562	916,529
Furniture and equipment	586,119	(100,362)	136,628	622,385
Total	\$ 5,583,288	(382,964)	1,035,883	\$ 6,236,207

	Net book value, December 31, 2019	Net book value, December 31, 2020
Land	\$ 1,756,634	\$ 3,374,734
Buildings	3,197,380	22,677,280
Vehicles	679,062	717,978
Furniture and equipment	366,445	672,662
Construction-in-progress	6,024,724	-
Total	\$ 12,024,245	\$ 27,442,654

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

5. Tangible capital assets (continued):

Cost	Balance at December 31, 2018	Additions	Disposals and Transfers	Balance at December 31, 2019
Land	\$ 1,756,634	-	-	\$ 1,756,634
Buildings	7,026,541	158,439	-	7,184,980
Vehicles	1,677,991	137,823	(127,183)	1,688,631
Furniture and equipment	1,083,651	93,200	(224,287)	952,564
Construction-in-progress	369,247	5,655,477	-	6,024,724
Total	\$ 11,914,064	6,044,939	(351,470)	\$ 17,607,533

Accumulated Amortization	Balance at December 31, 2018	Disposals	Amortization Expense	Balance at December 31, 2019
Land	\$ -	-	-	\$ -
Buildings	3,780,663	-	206,937	3,987,600
Vehicles	955,282	(127,183)	181,470	1,009,569
Furniture and equipment	700,344	(224,287)	110,062	586,119
Total	\$ 5,436,289	(351,470)	498,469	\$ 5,583,288

	Net book value, December 31, 2018	Net book value, December 31, 2019
Land	\$ 1,756,634	\$ 1,756,634
Buildings	3,245,878	3,197,380
Vehicles	722,709	679,062
Furniture and equipment	383,307	366,445
Construction-in-progress	369,247	6,024,724
Total	\$ 6,477,775	\$ 12,024,245

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

6. Accumulated surplus:

Accumulated surplus consists of individual fund surplus and reserves and reserve funds as follows:

	2020	2019
Invested in tangible capital assets	\$ 27,442,654	\$ 12,024,245
Operating fund	1,479,396	1,293,006
Unfunded long-term debt	(10,375,665)	(505,769)
Unfunded employee future benefits	(2,064,778)	(1,370,547)
Reserves and reserve funds (note 7)	10,174,216	9,923,874
Accumulated remeasurement losses	(413,047)	–
	\$ 26,242,776	\$ 21,364,809

7. Reserves and reserve funds:

	January 1, 2020	Transfers to	Transfers from	December 31, 2020
Set aside for specific purposes by the Board:				
Reserves:				
Working funds	\$ 1,113,551	–	–	\$ 1,113,551
Social housing operations	1,296,587	6,000	–	1,302,587
Early years reserve fund	1,124,212	–	–	1,124,212
Ambulances	286,068	274,019	(134,904)	425,183
	3,820,418	280,019	(134,904)	3,965,533
Reserve funds:				
Replacement reserve fund	990,069	–	–	990,069
Levy stabilization fund	5,113,387	2,649,724	(2,544,497)	5,218,614
2020 balances	\$ 9,923,874	2,929,743	(2,679,401)	\$ 10,174,216
2019 balances	\$ 8,502,446	2,533,443	(1,112,015)	\$ 9,923,874

8. Pension agreements:

The Board makes contributions to the Ontario Municipal Employees Retirement Fund (OMERS), which is a multi-employer plan, on behalf of 178 members (2019 – 110 members) of its staff. The plan is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay.

The amount contributed to OMERS during the year was \$1,255,592 (2019 - \$657,686) for current service. This amount is included as an expense on the consolidated statement of operations and accumulated surplus.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

9. Expenses by object:

	2020	2019
Salaries and benefits	\$ 16,999,222	\$ 8,964,113
Materials and supplies	45,130,931	49,378,564
Amortization of tangible capital assets	1,035,883	498,469
Purchased services	—	7,320,558
	\$ 63,166,036	\$ 66,161,704

In the prior year, the Board purchased administrative and other related services from the City of Sault Ste. Marie on a full cost recovery basis.

10. Commitments:

The Board has entered into lease and contractual agreements for office space and other service contracts with terms ending between December 2020 and December 2029.

The minimum annual payments under the terms of these commitments for the next five years are as follows:

2021	\$ 886,861
2022	562,470
2023	216,747
2024	224,907
2025	227,845

The Corporation issued letters of guarantee through its financial institution to provide guarantees to a certain vendor. The outstanding letters of guarantee amounted to \$50,000 (2019 - \$25,000).

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

11. Budget figures:

The operating budgets approved by the Board for 2020 were prepared for the purpose of establishing the estimated revenues and expenses for fiscal 2020 for the District of Sault Ste. Marie Social Services Administration Board and the Sault Ste. Marie Housing Corporation separately. The budgets established do not include a budget for the amortization of tangible capital assets and include allocations of prior year surpluses.

The consolidated budget figures presented in the Consolidated Statement of Operations and Accumulated Surplus and the Consolidated Statement of Change in Net Financial (Liabilities) Assets have been restated to be comparable with the Public Sector Accounting Standards. A reconciliation of the Board approved budgets and the consolidated budget presented in these financial statements is presented below:

Adopted consolidated budget:	
Consolidated budgeted annual surplus for the year	\$ —
Adjustments to adopted budget:	
Amortization of tangible capital assets	(1,035,883)
Acquisition of tangible capital assets	5,428,741
Proceeds from long-term debt	(4,814,176)
Budget deficit per consolidated statement of operations and accumulated surplus	\$ (421,318)

12. Comparative information:

The consolidated financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year annual surplus.

13. Assumption of employee future benefits:

Effective January 1, 2020 ("transition date"), the Board ended its' services delivery contract with the City of Sault Ste. Marie. Employees that provided services to the Board's Land Ambulance program were previously employed by the Corporation of the City of Sault Ste. Marie. At the transition date, these individuals became employees of the Board and all employment obligations and liabilities were assumed by the Board. The employment liabilities assumed at the transition date are as follows:

	January 1, 2020
Post-employment and post-retirement benefits	\$ 281,871
Non-vesting sick leave benefits	246,000
	\$ 527,871

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

14. Impact of COVID-19:

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization, which has resulted in governments worldwide, including the Canadian and provincial governments, enacting emergency measures to combat the spread of the virus.

At the time of approval of these financial statements, the Board has experienced the following indicators of financial implications and undertaken the following activities in relation to the COVID-19 pandemic.

- Closure of certain Early Years' service providers, reducing total transfers to service providers and increasing the balance of funds repayable to the Province;
- Temporary increases in personnel costs for certain staff eligible for the Provincial government's "pandemic pay" program with corresponding increases in Provincial funding;
- Additional expenses and Provincial revenues to support vulnerable populations impacted by the pandemic;
- Closure of administrative buildings from March 27, 2020 to the date of the auditors' report based on public health recommendations and mandatory working from home requirements for those able to do so.

At this time, these factors present uncertainty over future cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect is not practicable at this time.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

15. Segmented information:

The District of Sault Ste. Marie Social Services Administration Board supports the development of health and self-sufficient communities through the innovative and responsive delivery of various social assistance programs. For reporting purposes the Board's financial activities are organized and reported by program.

Certain programs that have been separately disclosed in the segmented information, along with the services they provide are as follows:

Ontario Works

Financial and employment assistance is provided to individuals in temporary financial need. The goals are to assist participants in achieving independence and self-reliance and to transition the participants to the workforce.

Housing Services

The social housing program is responsible for the direct management of the public housing portfolio, the administration of the Non-profit and Urban and Native Housing projects within the district, administration of various federal and provincial housing programs, and the administration and maintenance of the central waiting list within the district.

DSSAB Administration

Administration of programs and services are managed by an administrative team which provides support for the ongoing services of the Board.

Early Years Services

Early years services funding is administered to childcare operators within the district in accordance with the Day Nurseries Act.

Land Ambulance and Garden River Ambulance

Emergency and non-emergency land ambulance services are provided within the district.

For each reported segment, revenue and expenses represent both the amounts that are directly attributable to the segment as well as amounts that can reasonably be allocated to the segment. Administration costs are allocated to the program based on an availability of funding as well as an estimate of their consumption of administrative services. The accounting policies utilized in these segments are consistent with those followed in preparation of the financial statements as disclosed in note 1.

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

15. Segmented information (continued):

	Ontario Works	Housing Services	DSSAB Administration	Early Years Services	Land Ambulance	Garden River Land Ambulance	2020 Total
Revenues:							
Province of Ontario	\$ 22,814,712	4,826,446	-	7,648,788	3,703,103	1,850,287	\$ 40,843,336
Government of Canada	-	3,614,191	-	-	-	-	3,614,191
Participating municipalities	3,651,848	11,188,436	-	1,775,899	3,894,563	-	20,510,746
Other	974	45,231	-	-	-	-	46,205
Investment income	-	24,921	173,726	-	-	-	198,647
Rental income	-	3,771,796	-	-	-	-	3,771,796
	26,467,534	23,471,021	173,726	9,424,687	7,597,666	1,850,287	68,984,921
Expenses:							
Salaries and benefits	5,012,439	2,006,333	1,663,767	891,724	5,957,680	1,467,279	16,999,222
DSSAB operations	-	-	737,566	-	-	-	737,566
Materials and services	166,712	8,087,817	-	145,755	1,151,674	217,330	9,769,288
Transfers to recipients and social providers	17,725,622	7,812,966	-	7,643,078	-	-	33,181,666
Employment related costs	1,442,411	-	-	-	-	-	1,442,411
	24,347,184	17,907,116	2,401,333	8,680,557	7,109,354	1,684,609	62,130,153
Amortization of tangible capital assets	-	709,693	-	-	274,019	52,171	1,035,883
Total expenses	24,347,184	18,616,809	2,401,333	8,680,557	7,383,373	1,736,780	63,166,036
Annual surplus (deficit), before allocation of administration costs	2,120,350	4,854,212	(2,227,607)	744,130	214,293	113,507	5,818,885
Allocation of administration costs	(1,064,926)	(598,819)	2,395,276	(306,742)	(289,629)	(135,160)	-
Annual surplus (deficit)	\$ 1,055,424	4,255,393	167,669	437,388	(75,336)	(21,653)	\$ 5,818,885

DISTRICT OF SAULT STE. MARIE SOCIAL SERVICES ADMINISTRATION BOARD

Notes to Consolidated Financial Statements

Year ended December 31, 2020

15. Segmented information (continued):

	Ontario Works	Housing Services	DSSAB Administration	Early Years Services	Land Ambulance	Garden River Land Ambulance	2019 Total
Revenues:							
Province of Ontario	\$ 24,345,543	3,657,689	-	12,949,711	3,183,496	1,478,752	\$ 45,615,191
Government of Canada	-	3,037,605	-	-	-	-	3,037,605
Participating municipalities	3,588,781	11,126,083	-	1,711,424	3,972,680	-	20,398,968
Other	878	66,525	-	-	-	-	67,403
Investment income	-	74,465	336,649	-	-	-	411,114
Rental income	-	3,148,817	-	-	-	-	3,148,817
	27,935,202	21,111,184	336,649	14,661,135	7,156,176	1,478,752	72,679,098
Expenses:							
Salaries and benefits	4,695,696	1,755,814	1,584,498	806,517	121,588	-	8,964,113
DSSAB operations	-	-	961,888	-	-	-	961,888
Materials and services	649,870	8,694,521	-	119,526	606,867	89,574	10,160,358
Transfers to recipients and social providers	19,173,843	6,436,746	-	11,005,839	-	-	36,616,428
Employment related costs	1,639,890	-	-	-	-	-	1,639,890
	26,159,299	16,887,081	2,546,386	11,931,882	728,455	89,574	58,342,677
Amortization of tangible capital assets	-	206,937	-	-	244,809	46,723	498,469
Purchased services:							
Salaries and benefits	-	-	-	-	5,655,075	1,295,910	6,950,985
Materials and services	-	-	-	-	331,714	37,859	369,573
	-	-	-	-	5,986,789	1,333,769	7,320,558
Total expenses	26,159,299	17,094,018	2,546,386	11,931,882	6,960,053	1,470,066	66,161,704
Annual surplus (deficit), before allocation of administration costs	1,775,903	4,017,166	(2,209,737)	2,729,253	196,123	8,686	6,517,394
Allocation of administration costs	(1,275,822)	(622,561)	2,452,427	(336,538)	(174,005)	(43,501)	-
Annual surplus (deficit)	\$ 500,081	3,394,605	242,690	2,392,715	22,118	(34,815)	\$ 6,517,394



Social Services

District of Sault Ste. Marie Social Services

Administration Board

Conseil d'Administration des Services du District Sault Ste. Marie

Zhawenimi-Anokiitaagewin



BOARD REPORT

AUTHOR: David Petersson

DATE: May 20, 2021

RE: DSSMSSAB 2020 Operating Surplus

RECOMMENDATION

It is recommended that the District of Sault Ste. Marie Social Services Administration Board allocate the final 2020 Operating Surplus in the amount of \$1,556,160 to DSSAB Reserves for use as determined by the Board.

BACKGROUND INFORMATION

Annually each year at the conclusion of the Audit, Corporate Services presents the final year-end surplus for that year. This is presented to the Board for direction on the use of that amount. This report compares the Year-to-Date Net Revenues and Expenditures in comparison to the Approved Budget for that year.

Additionally, there are variances between the Financial Statement Surplus and the Operating Budget Surplus and include items such as:

1. Accruals for potential future employee entitlements are not considered as they are considered only when paid which does not impact the current year's operations.
2. Purchases of capital assets are reported as expenditures in the year purchased for budget surplus. Depreciation of those assets are reflected on the financials.

SUMMARY/OVERVIEW

Overall, the DSSMSSAB operations by divisional delivery area resulted in an overall municipal surplus of \$1,556,160. The breakdown, by division, is presented below:

Division	Surplus (Deficit)	
	31-Dec-20	31-Dec-19
Ontario Works	603,764.00	490,586.00
Housing Services	449,823.00	480,439.00
Early Years Services	471,381.00	668,714.00
Paramedic Services - Land	86,081.00	485,394.00
Paramedic Services - GRFN	205,635.00	260,002.00
Interest Income	(101,274.00)	145,149.00
	1,715,410.00	2,530,284.00
Less: Restricted Funds*	(159,250.00)	(673,181.00)
	1,556,160.00	1,857,103.00
Final Board Approved Levy	69,616,742.00	71,247,005.00
Percentage of Overall Levy	2.24%	2.61%
*This represents funding received in 2020 for the purchase of an Ambulance for GRFN. This ambulance was purchased in the first quarter of 2021 to align with the MOHLTC fiscal year end of March 31, 2021.		

The resulting can be attributed to various factors within each division.

Corporate Services

An allocation is made to each divisional area for Corporate Services costs. Overall, Corporate had a surplus of approximately \$200K due to some temporary vacancies, as well as no travel and corporate training expenses due to COVID-19. This surplus has affected each divisional area and is an additional reason for the divisional surpluses.

Ontario Works

Surplus generated primarily from underspending in the program administration and employment related lines. For program administration, the underspending was mostly in salaries and benefits due to some vacancies as well as underspending in office expenses as most staff worked from home for nine months of the year. The underspending in employment related was due to the difficulty of getting employment programs up and running during COVID restrictions.

Housing Services

Surplus mostly derived from reduced spend to Housing Providers. This amounts to approximately \$378K. Remaining surplus mostly from underspending in the overhead charge from Corporate Services.

DATE: May 20, 2021

Early Years Services

Surplus due to COVID-19 (closure and re-opening periods - Mar to Aug). The Ministry has adjusted our allocation for these periods to account for the closure periods.

Paramedic Services (Land Ambulance)

Surplus due to underspending in operating expenses (biggest surpluses are \$80K for uniforms, \$22K for travel/training, \$15K in utilities, and \$11K in health & safety supplies). Overspent on other lines but in the end there is about \$70K surplus in operating expenses. Underspending in Salaries and Benefits mostly due to lower than anticipated benefits costs.

Paramedic Services (Garden River)

New funding received in 2020 of approximately \$120K as well as new ambulance funding of \$159K. The new ambulance was purchased in the first quarter of 2021 to ensure spending prior to the MOHLTC fiscal year end. The remaining surplus is across various lines including Corporate Services.

STRATEGIC PLAN IMPACT

The proposed use of the final 2020 surplus is directly connected to the strategic plan and supports both the "Organizational Excellence" and "Service Delivery" pillars of focus. Continued focus on increasing service excellence while building infrastructure to streamline service delivery.

FINANCIAL IMPLICATIONS

After reconciling the final 2020 financial results, management is recommending transferring the 2020 surplus to DSSAB Reserves for future use as determined by the Board.

CONCLUSION

Final results for 2020 reflected a surplus of \$\$1,556,160.

Respectfully submitted,



David Petersson
Director of Corporate Services

Approved by:



Mike Nadeau
Chief Executive Officer



Social Services

District of Sault Ste. Marie Social Services

Administration Board

Conseil d'Administration des Services du District Sault Ste. Marie

Zhawenimi-Anokiitaagewin



BOARD REPORT

AUTHOR: Jeff Barban

DATE: May 20, 2021

RE: Additional Funding for Transition Units for Sacred Heart

RECOMMENDATION

It is recommended the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) transfer \$451,921.91 of administration funds remaining from legacy Social Housing Programs to the Sault Ste. Marie Housing Corporation (SSMHC) to be used toward the renovations of the former Sacred Heart School, which will be tendered over the coming months.

BACKGROUND INFORMATION

Sault Ste. Marie has experienced the loss of several rooming houses as mentioned in prior reports creating a shortage of inexpensive housing for many low-income individuals within the community. These housing losses are a result of fire, closure and/or by-law enforcement efforts. Recent examples include Studio 10 and Rednecks Saloon.

Housing and homelessness systems rely on short-term transitional housing for individuals waiting for permanent homes. Allocating these funds will assist in reducing the required funding for the construction of the 20 transitional units for men to be located in the former Sacred Heart School.

The transition beds will provide the necessary revenue to contribute to offsetting the operating costs of the shelter, neighborhood Resource Center and the transition units themselves.

SUMMARY/OVERVIEW

The following chart outlines the various legacy administration funds as per Corporate Services:

Program	Funding Year	Amount (\$)
CHPI 1X Admin	2013-2014	\$18,727.16
CHPI Admin	2014-2015	\$1,747.00
CHPI Additional Admin	2014-2015	\$35,595.00
CHPI Admin	2015-2016	\$132,020.00
IAH Admin	2015-2016	\$129,863.14
SIF Admin	2016-2017	\$38,420.00
IAH Admin	2011	\$28,617.46
Affordable Housing Rent Supplement	2011-2012	\$3,529.00
AHP Economic Stimulus Program	2011	\$23,464.23
Rent Supplement Program from SSMHC (2014)	2014	\$22,551.67
Total Admin Balance		\$434,534.66

*Housing Services Admin Balances as at March 31, 2021

Approval of the transfer of these legacy administrative funds to the SSMHC will be in addition to the previously transferred Social Services Relief 2 Funds in the amount of \$1,932,418.00 for the Men's shelter portion of the building.

STRATEGIC PLAN IMPACT

The additional funds will align with the pillar of Service Delivery. The funds will be used by SSMHC to offset local COVID-19 related expenses and allow Social Services and its community partners to provide service excellence and community awareness.

FINANCIAL IMPLICATIONS

There will be no net financial increase to the DSSMSSAB levy, as all funds requested have been previously received as a result of provincial funding. Transferring these funds will also tidy the DSSMSSAB's financial statements as they have been carried forward every year.

CONCLUSION

The largest homelessness population in the District are male. Constructing a safe affordable transition bed facility supports the DSSMSSAB's housing and homelessness plan by providing necessary short-term housing for men who are homelessness awaiting permanent housing. Construction of transitional units within the former Sacred Heart building will complement the existing services to be offered within the shelter, providing support for life stabilization for the residents without needing to leave the building.

RE: Additional Funding for Transition Units for Sacred Heart

Page 3

DATE: May 20, 2021

Respectfully submitted,



Jeff Barban
Director Housing Services

Approved by:



Mike Nadeau
Chief Executive Officer



Social Services

District of Sault Ste. Marie Social Services

Administration Board

Conseil d'Administration des Services du District Sault Ste. Marie

Zhawenimi-Anokiitaagewin



BOARD REPORT

AUTHOR: Jeff Barban

DATE: May 20, 2021

RE: Fall Economic Statement Incremental Funding

RECOMMENDATION

It is recommended the District of Sault Ste. Marie Social Services Administration Board (DSSMSSAB) sign the amendment with the Federal Government regarding the Reaching Home agreement. The DSSMSSAB is Sault Ste. Marie's designated Community Entity to deliver the Canada's Homelessness Strategy, Reaching Home. This amendment will secure the additional one time incremental funding allocation for 2021-22 of \$513,871 under the COVID-19 Economic Response Plan.

It is further recommended to award the full allocation of additional Reaching Home funds to the Sault Ste. Marie Housing Corporation for the purposes of constructing 22 transitional units at 721 Wellington Street East (former Sacred Heart School).

BACKGROUND INFORMATION

On November 30, 2020, the Canada's Fall Economic Statement announced incremental funding of \$299.4 million in 2021-2022 through Reaching Home: Canada's Homelessness Strategy. These funds are to be used towards preventing the spread of COVID-19 in shelters and to help prevent at-risk Canadians from becoming homeless.

The funding increase is in addition to the \$236.7 million that was previously announced in fall 2020, and the \$157.5 million announced in spring 2020. Previous funds enabled emergency shelters to implement physical distancing and other measures to protect the health and safety of those experiencing homelessness. In addition to this funding, the Government of Canada had already provided an additional \$15 million through Reaching Home to support large urban centres with high shelter capacity, where the risk of COVID-19 transmission was the greatest.

This funding will complement the DSSMSSAB's current Reaching Home allocation for the 2021/2022 fiscal year of \$315,985, bringing the combined allocation to \$829,856.

SUMMARY/OVERVIEW

The Incremental Reaching Home funding will be administered by amendment to the DSSMSSAB's Reaching Home agreement with Employment and Social Development Canada (ESDC). The DSSMSSAB has significant flexibility in how Reaching Home funding can be used.

The Government of Canada's guiding principles remain the same, with the second round of funding eligible to be used to improve the capacity of homelessness service providers to serve clients. Reaching Home plan and expenditures are approved by a Community Advisory Board (CAB) made up off the following community members:

- Habitat for Humanity
- Service Canada
- St. Vincent Place Men's Shelter
- Ontario Aboriginal Housing Services
- Algoma Community Legal Clinic
- Neech-Ke-When Homes
- Municipal Advisory Committee
- John Howard Society of SSM
- Algoma Public Health
- Canadian Mental Health
- MP Terry Sheehan's Office
- Pauline's Place
- Community Living Algoma
- Women in Crisis SSM
- Soup Kitchen
- Indigenous Friendship Centre
- Nimkii-Naabkawagan Batchewana FN
- City of Sault Ste. Marie Planning Department
- United Way

The CAB was polled for the approval to use the funds toward the construction of the transitional units and was unanimously approved.

STRATEGIC PLAN IMPACT

The additional Reaching Home funds will align with the pillar of Service Delivery. The funds will be used by the DSSMSSAB to offset local COVID-19 related expenses and allow Social Services and its community partners to provide service excellence and continue community awareness.

DATE: May 20, 2021

FINANCIAL IMPLICATIONS

There will be no additional net financial cost to the DSSMSSAB nor any matching funds required.

CONCLUSION

The Incremental Reaching Home funding will ensure Social Services can continue to address the housing and homelessness requirements within Sault Ste. Marie.

Respectfully submitted,



Jeff Barban
Director Housing Services

Approved by:



Mike Nadeau
Chief Executive Officer

**Ministry of
Municipal Affairs
and Housing**

Office of the Minister

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234-2020-5789

April 23, 2021

Luke Dufour
Board Chair

District of Sault Ste. Marie Social Services Administration Board

l.dufour@cityssm.on.ca

Dear Luke Dufour:

Thank you for your correspondence outlining the impacts that Bill 204, *Helping Tenants and Small Businesses Act, 2020* will have on the community housing sector within the District of Sault Ste. Marie. We welcome continued feedback from our municipal partners and appreciate you sharing this information with us, including the financial assessment of the potential impacts.

Our government recognizes the critical role of our municipal partners and community housing providers in providing safe, stable and affordable housing to vulnerable members of our communities. We are also aware of the pressures the broader housing and homelessness sector is facing, and the great steps the community housing sector is taking to protect its residents and communities in response to the COVID-19 outbreak.

This is why our government has made multiple investments to respond to COVID-19 needs in the housing and homelessness sector. Under the federal-provincial Safe Restart Agreement (SRA), funding of up to \$4 billion has been committed in support of municipalities and transit systems. The funding is being provided through four different streams, which include Municipal Operating Funding and Ontario's Social Services Relief Fund (SSRF), both administered by my Ministry.

Using the Municipal Operating Funding, municipalities have the flexibility to use funding to address the priorities of their communities based on their unique COVID-related 2020 operating pressures.

Under the province's SSRF, the ministry has made multiple investments in 2020-21 to Service Managers and Indigenous Program Administrators totalling \$765 million. This flexible funding is allowing local Service Managers and Indigenous Program Administrators to provide services and supports for vulnerable populations based on their local circumstances. The District of Sault Ste. Marie has been approved for nearly \$4.2 million under the SSRF.

.../2

On October 1, 2020, the *Helping Tenants and Small Businesses Act, 2020* received Royal Assent. The Act amends the *Residential Tenancies Act, 2006* (RTA) to freeze rent in 2021 for nearly all rent-controlled and non-rent-controlled units to give the vast majority of tenants some relief during these unprecedented times.

This includes units in community housing where tenants pay market rent and geared-to-income rent, as well as affordable rental housing units created through various federally and/or provincially funded housing programs. The freeze on rent increases applies to tenants in community housing and units in care and retirement homes in order to ensure that the most vulnerable residents, including low-income households and seniors, have the protections and stability they need during this time.

The sustainability of the community housing sector is a priority for our government and is directly tied to our goals under the Community Housing Renewal Strategy – to sustain, repair, and grow our community housing system, making it work better for the people it serves.

Once again, thank you for bringing these concerns to my attention. Please accept my best wishes.

Sincerely,

A handwritten signature in blue ink that reads "Steve Clark". The signature is fluid and cursive, with the first name "Steve" and last name "Clark" clearly distinguishable.

Steve Clark
Minister