

# DSB financial statements show first-ever deficit

By **Tom Sasvari** - June 5, 2020



ESPANOLA – For the first time since the Manitoulin-Sudbury District Services Board (DSB) was created, the board found itself in a deficit position based on its 2019 audited financial statements.

“Is this the first time we have seen a deficit in our financial statements in any year?” asked DSB chair Les Gamble at a board meeting last week.

CAO Fern Dominelli confirmed, “this is the first time in 20 years that we have seen a deficit in our audited financial statement for any year.”

At the board’s meeting last week, Cynthia MacKenzie, auditor for Freelandt Caldwell Reilly LLP provided the 2019 audited financial statements to the board, noting that the DSB deficit at the end of the year was \$7,177.

“Will we see the government come out at the end of the day and help DSBs and municipalities?” asked Mr. Gamble.

“I don’t have a crystal ball, but it’s possible right now funding for programs is on hold (for this year),” said Ms. MacKenzie.

It was pointed out by DSB CAO Fern Dominelli, the Federation of Canadian Municipalities (FCM) is asking for \$10 million in funding from the federal government for municipalities to help with the financial problems they are dealing with as a result of COVID-19 effects on communities and businesses.

“I’m being asked a lot lately from municipal leaders as to how much more this is all going to cost municipalities,” said Mr. Dominelli. “I definitely recommend taking money out of our reserves (to alleviate the costs of the 2019 year end deficit),” he said, cautioning the board that the forecast for this year’s financial statement is that the DSB is looking “at a projected \$300,000 deficit. We are hoping things will get better.”

The DSB passed a motion to accept the 2019 audited financial statements, and to take funds from reserves to pay off the deficit.

“If we have a \$300,000 deficit (in 2020) I don’t think any municipality will want to look at funding this,” said Mr. Gamble.



The board was told that if this deficit is the case for 2020 they will again have to look at alleviating the debt through its reserves.

"We will have to use the money we have, and we have to survive on the municipal side," stated Richard Stephens.

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