

Report FR-SS-22-16

To: Chair Burley and Members of the Social Services Committee
From: Sandra Manser, Accounting Supervisor
Meeting Date: July 13, 2016
Subject: **To provide a Financial Update and Year End Projection for Social Services as of May 31, 2016**
Status: Recommendation adopted by Committee as presented per Resolution SSC57-16; Endorsed by County Council August 2, 2016 per Resolution CC97-16;

Recommendation(s)

THAT Report FR-SS-22-16 regarding the Financial Update and Year End Projection for Social Services as of May 31, 2016 be received for information.

Background

This report provides a financial update and year end projection for the Social Services Department as of May 31, 2016. The financial information is based on forecasted provincial subsidy from the Ministry of Community and Social Services for the Ontario Works programs. Child Care programs are based on approved provincial subsidy from the Ministry of Education as well as the use of mitigation funding.

Based on an analysis of the Social Services Department financial statements as of May 31, 2016, the following financial projections for each program are brought forward for the Committee's information. As of the end of May, the total Social Services budget has an estimated year to date surplus of \$70,500. Based on an analysis of trends to date, the year end projection for the Social Services budget is a surplus of \$75,500.

Summary of 2016 Social Services Year to Date Actuals and Year End Projections

Department	Year to Date Actual Surplus/(Deficit) as of May 31, 2016	2016 Year End Projected Surplus/(Deficit)
Social Assistance	\$17,100	\$26,900
Community Homelessness	\$0	\$0

Department	Year to Date Actual Surplus/(Deficit) as of May 31, 2016	2016 Year End Projected Surplus/(Deficit)
Prevention Initiative		
Ontario Works Administration	\$5,500	\$5,500
Ontario Works	\$21,500	\$40,500
Child Care	\$26,400	\$2,600
County Social Initiatives	\$0	\$0
Total	\$70,500	\$75,500

Social Assistance

The subsidy claim module in the Social Assistance Management System (SAMS) isn't operational yet so expenses continue to be based on payments substantiated during the bank reconciliation process. The budgeted contract Finance Officer was hired in March and has been working on reconciling erroneous transactions that had been created by malfunctions of the software. Numerous transactions had to be placed in suspended status to stop incorrect payments from occurring but need to be corrected within the system to eliminate the possibility of overpayments.

The Social Assistance budget is 94.2% provincially funded and has a year to date estimated surplus of \$17,100. Based on reporting from SAMS, the caseload so far in 2016 has been lower than the 2015 average caseload. If the caseload, expenses and recoveries remain consistent for the remainder of the year, the year end surplus is expected to increase to approximately \$26,900 due to the continued monthly savings.

Community Homelessness Prevention Initiative (CHPI)

The Community Homelessness Prevention Initiative program (CHPI) is 100% provincially funded and expenditures are currently on budget. Based on year to date expenditures and the need for Sustainable Housing Benefits, the annual funding will be expensed by year end.

Ontario Works Administration

The Ontario Works Administration budget contains the costs of two contract positions to assist with the workload and reconciliations after the implementation of SAMS. There has been no further special funding provided from the Ministry so the costs of the Caseworker and Finance Officer are being funded 50% by regular Ontario Works Administration funding with the remaining 50% from the Caseload Reserve as budgeted.

This administration budget currently has savings in salaries due to staff off on leave, along with salary recoveries from union related business. In addition to salary savings;

the rental cost for the Ontario Works hub location in Meaford was budgeted for the full year but the rental agreement wasn't in place until April and has resulted in three months of rent savings. The salaries and rent under-expenditures have created a year to date surplus of \$5,500 and this surplus is expected to continue to year end.

Ontario Works

The Employment Support and Van Program budgets are 94.2% provincially funded up to a capped expenditure level with the remaining expenses funded at 50%. There has been a delay in the Ministry budgeting process this year and current estimates are based on the Ministry of Community and Social Services' forecasted funding; however the approved funding level is not expected to differ significantly from the estimate.

The Employment Support budget currently contains a small amount of salary recoveries along with under-expenditures in the Employment Related Expenses (ERE) which have resulted in a year to date surplus of \$21,500. As in the prior year, staff has needed to focus more of their time on SAMS with less time available for employment related activities. April and May employment related costs have increased over the first quarter expenses but an estimated surplus of \$40,500 is expected for year end.

Child Care

The total Child Care budget currently has a year to date surplus of approximately \$26,400. A surplus typically occurs in the first part of the year because the higher fee subsidy costs of the summer months haven't occurred yet. When compared to the spring, summer costs usually increase by approximately 40% with school aged children in daycare and recreation programs. These higher costs will eliminate the current surplus and Child Care expenses are expected to end the year on budget. However, the Ministry of Education establishes an annual required municipal contribution to the cost of Child Care expenses and the 2016 requirement for the County has decreased by \$2,653 which will create a small surplus at year end.

If there are no further savings in Child Care this year, the costs of the Child Care departmental review and the OneHSN software will be funded from the Mitigation Funding Reserve as budgeted.

County Social Initiatives

The County Social Initiatives budget, which is 100% municipally funded, includes payments to Safe n Sound, Beaver Valley Outreach, Owen Sound Family Y, Keystone, The Poverty Task Force, The Crystal Meth Task Force and United Way and is expected to end the year on budget.

Financial/Staffing/Legal/Information Technology Considerations

Based on a review of the Social Services financial statements as of May 31, 2016 a year end surplus of approximately \$75,500 is projected. There are no staffing, legal or IT considerations related to this report.

Link to Strategic Goals/Priorities

The analysis of current financial statements compared to the approved budget is a key mechanism to ensure that Council's goals of ensuring financial sustainability and ongoing public accountability are maintained.

Attachments

None

Respectfully submitted by,

Sandra Manser
Accounting Supervisor

Director Sign Off: *Barb Fedy*