

Report FR-SS-03-16

To: Chair and Members of the Social Services Committee
From: Doug Johnstone, Financial Analyst
Meeting Date: December 9, 2015
Subject: **Long Term Care Financial Report and Treatment of Year End Surplus/ (Deficit)**
Status: Recommendation adopted by Committee as presented per Resolution SSC07-16; Endorsed by County Council January 5, 2016 per Resolution CC13-16;

Recommendation(s)

THAT Report FR-SS-03-16 regarding the Long Term Care financial report and treatment of surplus and/or deficit positions at year end be received;

AND THAT \$368,900 for the following outstanding 2015 budgeted capital projects be included in the 2016 budgeted capital project list and where applicable, the funds for these projects be transferred to the respective home's reserve for use in 2016:

- **Washer/disinfectors – Grey Gables \$20,000 (transfer to reserve); Lee Manor \$40,000 (transfer to reserve); Rockwood Terrace \$20,000 (transfer to reserve)**
- **Renovations to tub rooms – Grey Gables \$90,000 (budgeted \$67,025 from reserve in 2015, transfer \$22,975 to reserve)**
- **Interior lighting – Grey Gables \$5,000 (transfer to reserve)**
- **Heating/cooling system for the tenant space at Grey Gables \$10,000 (transfer to reserve)**
- **Resident lifts – Lee Manor \$18,000 (budgeted from reserve in 2015)**
- **Drapes and blinds – Lee Manor \$31,000 (\$13,000 budgeted from reserve in 2015, transfer \$18,000 to reserve)**
- **Hot water re-circulation and valving – Lee Manor \$97,400 (budgeted from reserve in 2015)**
- **Exterior common area re-development – Lee Manor \$37,500 (budgeted from reserve in 2015)**

AND THAT the anticipated deficits arising from the Grey Gables, Lee Manor and Rockwood Terrace operating budgets be funded from the One-Time Funding Reserve;

AND THAT the surplus/(deficit) from each of the homes' capital budgets be transferred to/(from) the respective home's reserve;

AND FINALLY THAT the donations made to Grey Gables, Lee Manor and Rockwood Terrace be transferred to the respective donation reserve accounts.

Background

Report FR-SS-37-15 provided a financial update and year-end projection to Committee on November 12, 2015. The projection has not changed from the position expressed in the report and is summarized as follows:

Summary of Projected Long Term Care Year-End Surplus/(Deficit)

Long Term Care Department Budget	Projected Year-End Surplus/(Deficit)
Grey Gables Operating Budget	(\$41,000)
Grey Gables Capital Budget	\$0
Lee Manor Operating Budget	(\$66,000)
Lee Manor Capital Budget	(\$3,000)
Rockwood Terrace Operating Budget	(\$7,000)
Rockwood Terrace Capital Budget	\$6,000
Total Projected Shortfall	(\$111,000)

Staff recommends that the anticipated operating budget shortfalls for the three homes be funded from the One-Time Funding Reserve and that the surplus/(deficit) from each of the homes' capital budgets will be transferred to/(from) the respective home's reserve.

Capital Projects to Carry Forward to 2016

Staff requests that the following capital projects that were not completed in 2015 be carried forward to 2016 and funded from each home's reserve (funds transferred to reserve if project funded from taxation in 2015 or shown as funded from reserve if project was budgeted as funded from reserve in 2015):

- Washer/disinfectors – Grey Gables \$20,000 (transfer to reserve); Lee Manor \$40,000 (transfer to reserve); Rockwood Terrace \$20,000 (transfer to reserve)
- Renovations to tub rooms – Grey Gables \$90,000 (budgeted \$67,025 from reserve in 2015, transfer \$22,975 to reserve)

- Interior lighting – Grey Gables \$5,000 (transfer to reserve)
- Heating/cooling system for the tenant space at Grey Gables \$10,000 (transfer to reserve)
- Resident lifts – Lee Manor \$18,000 (budgeted from reserve in 2015)
- Drapes and blinds – Lee Manor \$31,000 (\$13,000 budgeted from reserve in 2015, transfer \$18,000 to reserve)
- Hot water re-circulation and valving – Lee Manor \$97,400 (budgeted from reserve in 2015)
- Exterior common area re-development – Lee Manor \$37,500 (budgeted from reserve in 2015)

Donations

A recommendation is also made within this report requesting that the balance in the donation accounts be transferred to the respective reserve account at year end. The following chart summarizes the transaction history for 2015 and provides the balance in each of the donation accounts as of October 31, 2015.

Long Term Care Home	Donation Account Opening Balance	Donations Jan-Oct 2015	Funds committed for use Jan-Oct 2015	Donation Account Balance October 31, 2015
Grey Gables	\$108,133	\$2,910	(\$29,110)	\$81,933
Lee Manor	\$47,865	\$1,614	(\$637)	\$48,842
Rockwood Terrace	\$43,082	\$42,930	(\$2,993)	\$83,019

Financial / Staffing / Legal / Information Technology

Considerations

A review of the actual to budget as of the end of September projected that the Long Term Care budgets will have a shortfall of approximately \$111,000 at year-end.

Under the umbrella of the Social Services Committee, the Social Services budget is projecting a surplus, and in report FR-SS-07-16 staff is recommending that the surplus be transferred to the One-Time Funding Reserve in order to assist Long Term Care.

For the Long Term Care budget, staff recommends that the anticipated operating budget shortfalls for the three homes be funded from the One-Time Funding Reserve

and that the surplus/(deficit) from each of the homes' capital budgets be transferred to/(from) the respective home's reserve. Staff also recommends that donations be transferred to the respective donation account.

Link to Strategic Goals / Priorities

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

Attachments

Attachment to FR-SS-03-16 Long Term Care Financial Report and Treatment of Year End Surplus Deficit – Grey Gables Financial Statements at October 31, 2015

Attachment to FR-SS-03-16 Long Term Care Financial Report and Treatment of Year End Surplus Deficit – Lee Manor Financial Statements at October 31, 2015

Attachment to FR-SS-03-16 Long Term Care Financial Report and Treatment of Year End Surplus Deficit – Rockwood Terrace Financial Statements at October 31, 2015

Respectfully submitted by,

Doug Johnstone
Financial Analyst

Director Sign Off: *Kevin Weppler, Director of Finance; Lynne Johnson, Director of Long Term Care*