

## Report FR-SS-26-14

**To:** Chair Burley and Members of the Social Services Committee  
**From:** Sandra Manser, Accounting Supervisor  
**Meeting Date:** July 16, 2014  
**Subject:** **To provide a Financial Update and Year-End Projection for Social Services as of May 31, 2014**  
**Status:** Recommendation adopted by Committee as presented per Resolution SSC50-14; Endorsed by County Council August 5, 2014 per Resolution CC109-14;

### Recommendation(s)

**THAT the Social Services Committee receive Report FR-SS-26-14 regarding a Financial Update and Year-End Projection for Social Services as of May 31, 2014.**

### Background

This report provides a financial update and year end projection for the Social Services Department as of May 31, 2014. The financial information is based on approved provincial subsidies and includes the use of mitigation funding from the Ministry of Education for Child Care.

Based on an analysis of the Social Services Department financial statements as of May 31, 2014, 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 \$141,200. Based on an analysis of trends to date, the year end projection for the Social Services budget is a surplus of \$209,100.

#### Summary of 2014 Social Services Year to Date Actuals and Year End Projections

Department	Year to Date Actual Surplus/(Deficit) as of May 31, 2014	2014 Year End Projected Surplus/Deficit
Social Assistance	(\$6,400)	(\$31,600)
Ontario Works Administration	\$16,400	(\$300)
Ontario Works	\$9,700	(\$600)

Department	Year to Date Actual Surplus/(Deficit) as of May 31, 2014	2014 Year End Projected Surplus/Deficit
Child Care	\$113,500	\$233,600
County Social Initiatives	\$8,000	\$8,000
<b>Total</b>	<b>\$141,200</b>	<b>\$209,100</b>

### *Social Assistance*

The Social Assistance budget, which is provincially funded 88.6%, currently has a deficit of \$6,400 and is expected the end the year with a deficit of \$31,600. The average caseload as of the end of May not including Temp Care is 1,403 which is a 0.94% increase over the 2013 year end actual caseload of 1390. The 2014 budget was prepared with an estimated January to May average caseload of 1,413. While the year to date average caseload is close to being in line with budgeted assumptions; a 1% rate increase for Basic Needs was also included in the budget. However, Ontario Works Single Recipients are also receiving an additional top up for Basic Needs which has created a net over expenditure of \$12,700. This deficit in Basic Needs is expected to increase to \$30,400 by year end if the caseload trend remains consistent.

Shelter is also currently overspent with an estimated net year end over expenditure of \$24,000. A 1% rate increase had been budgeted for shelter but the 2014 caseload composition is made up of more families with a greater number of dependents resulting in higher monthly shelter payments than in 2013.

These over expenditures in Basic Needs and Shelter are expected to be partially offset by the end of the year by under expenditures in Temp Care, Special Assistance and Discretionary Benefits. A total year end deficit of \$31,600 is expected for the Social Assistance budget.

### *Community Homelessness Prevention Initiative (CHPI)*

The Community Homelessness Prevention Initiative (CHPI) is a 100% provincially funded program and expenditures are currently on budget. At the beginning of 2014, \$149,000 of the one-time funding was remaining and was fully expended by March 31<sup>st</sup>. There is no one-time funding available for 2014/15 but there has been an increase of \$29,444 in the CHPI funding allocation which will provide a total funding amount of \$1,367,373 for the fiscal period. Based on the 2013 requests for Sustainable Housing Benefits such as Utility Arrears, Rental Arrears, Last Month's Rent and Moving costs, the 2014 CHPI funding allotment will be fully expended.

## *Ontario Works Administration*

The Ontario Works Administration budget currently has a year to date surplus of \$16,400 which is mainly due to additional Interfunctional Administration funding received to assist with the cost of administering the CHPI program. The non-union external salary review and revised wage grid will result in wage rate adjustments effective July 1, 2014. The net cost for all non-union Social Services staff including Child Care will be approximately \$12,890. The net impact for the Ontario Works Administration budget alone is estimated to be \$5,185. This cost along with higher than anticipated postage and courier expenses will eliminate the year to date surplus, resulting in a projected year end deficit of \$300.

The County is to receive \$66,000 in 100% provincial funding to support the implementation of the Social Assistance Management System (SAMS). This funding will be used for training, workspace modifications and a contract team assistant to assist with staff workload during the implementation.

## *Ontario Works*

The combined budgets for Ontario Works have a year to date surplus of \$9,700 and a projected year end deficit of \$600. The Employment Support and Van Program budgets are provincially funded 88.6% up to an annual expenditure of \$1,182,638. Costs in excess of this amount are then funded at 50% with unused administration funding.

In the Employment Support budget, the net impact of the non-union salary review is estimated at \$3,050. Year to date, the Transportation expense line and Supplies and Services are over budget. These over expenditures are being offset in part by savings in Employment Placement Costs due to fewer opportunities for client placements with employers, however; a year end deficit of \$1,000 is expected.

The Van Program is currently on budget. The Casual Van Driver position which was in the 2014 budget will soon be employed with the individual beginning in July to assist with vacation coverage. A small surplus of \$400 is estimated by year end.

## *Child Care*

The impact of the non-union external wage review in the Child Care budgets is estimated at \$4,650. The total Child Care budgets currently have a year to date surplus of approximately \$113,500. In 2014, \$195,429 in additional 100% funding is being received from the Ministry of Education. This additional funding along with savings due to the closure of the Salvation Army Day Care Centre, as well as savings in Purchase of Service will eliminate the 100% municipal contribution which was budgeted in the Child Care budgets. By contributing only the required municipal contribution of \$978,433

along with the use of approximately \$138,100 of Mitigation Funding, the total Child Care budgets are expected to end the year with a surplus of \$233,600.

### *County Social Initiatives*

The County Social Initiatives budget is projected to end the year with an \$8,000 surplus. The first quarter payments of \$6,000 to Safe'n Sound and \$2,000 to Beaver Valley Outreach were expensed through the CHPI program and funded with one-time funding.

## Financial / Staffing / Legal / Information Technology

### Considerations

Based on a review of the Social Services financial statements as of May 31, 2014, a year end surplus of approximately \$209,100 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.

Respectfully submitted by,

Sandra Manser  
Accounting Supervisor

Director Sign Off: *Barbara Fedy, Director of Social Services*