

## Report FR-SS-37-15

**To:** Chair Burley and Members of the Social Services Committee  
**From:** Doug Johnstone, Financial Analyst  
Lynne Johnson, Director of Long Term Care  
**Meeting Date:** November 12, 2015  
**Subject:** **Long Term Care Financial Update and Year-End Projection as of September 30, 2015**  
**Status:** Recommendation adopted by Committee as presented per Resolution SSC92-15; Endorsed by County Council November 24, 2015 per Resolution CC159-15;

### Recommendation(s)

**THAT Report FR-SS-37-15 regarding a Financial Update and Year-End Projection as of September 30, 2015 for the Long Term Care department budgets be received for information.**

### Background

The purpose of this report is to provide members of the Social Services Committee with a financial update and year-end projection for the Long Term Care department budgets based upon financial statements as of September 30, 2015.

### *Summary*

This report is based upon September 2015 financial statements and updates the financial position reported in FR-SS-24-15. The projection also takes into account known expenses and has been prepared based upon consultation with the respective Administrator.

The following table summarizes the year-end projection for each of the Long Term Care budgets and further information is contained within the body of this report.

A report requesting approval for the treatment of any surplus/deficit from the budgets will be provided at the December committee meeting. Surplus/deficit estimates from the capital budget are based upon projects that have been awarded at the time the report was written and excludes funds for projects that will be deferred to 2016.



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

<b>Long Term Care Department Budget</b>	<b>Projected Year-End Surplus/(Deficit)</b>
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
<b>Total Projected Surplus</b>	<b>(\$111,000)</b>

*Grey Gables Operating Budget*

At May 31, 2015 it was projected that Grey Gables would show a deficit of \$57,000. At September 30, 2015, it is projected that Grey Gables will end the year with an operating budget deficit of approximately \$41,000. The deficit is made up of overexpenditures of \$108,000, offset by unbudgeted funding increases of \$67,000, as summarized in the following chart:

	<b>Year End Projection as of May 31</b>	<b>Year End Projection as of September 30</b>
Unbudgeted Funding Increases	\$67,000	\$67,000
Wages and Benefits	(\$55,500)	(\$29,000)
Legal and Professional Fees	(\$40,000)	(\$25,000)
Medical Supply Costs	(\$15,000)	(\$25,000)
All Other Accounts	(\$13,500)	(\$29,000)
<b>Total Projected (Deficit)</b>	<b>(\$57,000)</b>	<b>(\$41,000)</b>

*Grey Gables Capital Budget*

Completed projects to date have come in close to budget; staff will request that funds for some outstanding projects be carried forward for use in 2016.

*Lee Manor Operating Budget*

At May 31, 2015 it was projected that Lee Manor would show an operating surplus of \$2,000. At September 30, 2015, it is projected that Lee Manor will end the year with an operating budget deficit of approximately \$66,000. The deficit is made up of overexpenditures of \$247,000, offset by unbudgeted funding increases of \$140,000,

and an increase in preferred accommodation revenue of \$41,000, as summarized in the following chart:

	<b>Year End Projection as of May 31</b>	<b>Year End Projection as of September 30</b>
Unbudgeted Funding Increases	\$140,000	\$140,000
Preferred Accommodation Revenue	\$14,000	\$41,000
Modified Duty Expense	(\$75,000)	(\$102,000)
Legal and HR Expense	(\$55,000)	(\$110,000)
Professional Fee Expense	\$0	\$13,000
Maintenance of Building Expense	\$0	(\$35,000)
All Other Accounts	(\$22,000)	(\$13,000)
<b>Total Projected Surplus/ (Deficit)</b>	<b>\$2,000</b>	<b>(\$66,000)</b>

Building maintenance experienced some unexpected expenses over the past quarter, with \$25,000 required for repairs to the HVAC system.

### *Lee Manor Capital Budget*

The Capital Budget is projected to have a shortfall of \$3,000. Within the awarded and completed projects, there was a savings of \$3,000 on a floor scrubber purchase. Other completed projects came in close to budget. The hot water re-circulation and valving project has not been completed, but it is projected that there will be an over-expenditure of \$6,000. Staff will request that funds for some projects be carried forward for use in 2016.

### *Rockwood Terrace Operating Budget*

At May 31, 2015 it was projected that Rockwood Terrace would show an operating surplus of \$76,000. At September 30, 2015, it is projected that Rockwood Terrace will end the year with an operating budget deficit of approximately \$7,000. The deficit is made up of overexpenditures of \$127,000, offset by unbudgeted funding increases of \$120,000, as summarized in the following chart:

	<b>Year End Projection as of May 31</b>	<b>Year End Projection as of September 30</b>
Unbudgeted Funding Increases	\$120,000	\$120,000
Modified Duty Expense	(\$40,000)	(\$42,000)
Medical Supplies and Nursing Equipment Expense	\$0	(\$47,000)
Professional and Consulting Expense	\$0	(\$19,000)
Maintenance of Building Expense	\$0	(\$30,000)
Legal Expense	\$0	\$7,000
All Other Accounts	(\$4,000)	\$4,000
<b>Total Projected Surplus/ (Deficit)</b>	<b>\$76,000</b>	<b>(\$7,000)</b>

Medical and Nursing Supply lines have been impacted by an increase in resident acuity and resulting care needs including: tube feeding, intravenous therapy, fall prevention equipment, special pads to reduce the risk of bed entrapment, slings for the mechanical lifts and the purchase of additional pagers for the nurse call system. Professional and consulting expense is for a pay equity review currently in progress. The building maintenance expense includes an unexpected boiler repair and other projects necessary to ensure a properly maintained and safe place.

### *Rockwood Terrace Capital Budget*

For projects that have been completed, the total expenses have been close to the budgeted amounts. The replacement of the fridge/freezer condensers is not completed, but it is anticipated that there will be a savings of \$6,000. As with the other two Homes, Rockwood Terrace has capital projects that will not be completed in the year and will request that funds be carried forward to 2016.

## Financial / Staffing / Legal / Information Technology Considerations

A review of the actual to budget, as of the end of September, projects that the net year-end position for the Long Term Care department will be a deficit of \$111,000. This represents a deficit in the operating budgets of \$114,000 and savings in the capital budgets of \$3,000.

Staff are reviewing and reprioritizing projects, where able, to further limit year end shortfalls.

A report requesting approval for the treatment of any surplus/deficit from the budgets will be provided at the December committee meeting.

## 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.

Respectfully submitted by,

Doug Johnstone  
Financial Analyst

Lynne Johnson  
Director of Long Term Care

Director Sign Off: *Kevin Weppler, Director of Finance*