

## Report FR-SS-33-16

**To:** Chair Burley and Members of the Social Services Committee  
**From:** Sandra Manser, Accounting Supervisor  
**Meeting Date:** November 9, 2016  
**Subject:** **To provide a Financial Update and Year End Projection for Social Services as of September 30, 2016.**  
**Status:** Recommendation adopted by Committee as presented per Resolution SSC85-16; Endorsed by County Council November 22, 2016 per Resolution CC147-16;

### Recommendation(s)

- 1. That Report FR-SS-33-16 regarding the Financial Update and Year End Projection for Social Services as of September 30, 2016 be received for information.**

### Background

This report provides a financial update and year end projection for the Social Services Department as of September 30, 2016. The financial information is based on approved provincial subsidies from the Ministry of Community and Social Services and the Ministry of Education.

Based on an analysis of the Social Services Department financial statements as of September 30, 2016, the following financial projections for each program are brought forward for the Committee's information. As of the end of September, the total Social Services budget has an estimated year to date surplus of \$96,600. Based on an analysis of trends to date, the year end projection for the Social Services budget is a surplus of \$154,100.

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

| <b>Department</b> | <b>Year to Date Actual Surplus/(Deficit) as of September 30, 2016</b> | <b>2016 Year End Projected Surplus/(Deficit)</b> |
|-------------------|---|--|
| Social Assistance | \$47,800  | \$65,700   |

| Department                                   | Year to Date Actual Surplus/(Deficit) as of September 30, 2016 | 2016 Year End Projected Surplus/(Deficit) |
|--|--|---|
| Community Homelessness Prevention Initiative | \$0  | \$0                                       |
| Ontario Works Administration                 | \$12,900   | \$27,400                                  |
| Ontario Works                                | \$33,900   | \$58,400                                  |
| Child Care                                   | \$2,000  | \$2,600                                   |
| County Social Initiatives                    | \$0  | \$0                                       |
| <b>Total</b>                                 | <b>\$96,600</b>  | <b>\$154,100</b>                          |

### *Social Assistance*

The subsidy claim module in the Social Assistance Management System (SAMS) is expected to be operational in November. The Ministry has been fixing known issues in the SAMS financial reports and is regenerating reports back to April 2016. Once all revised reports are available, reconciliation will begin to ensure that Ministry reporting matches all expenses and revenues that were recorded based on the bank reconciliation process.

The Social Assistance budget, which is 94.2% provincially funded, currently has an estimated surplus of \$47,800. The 2016 caseload continues to be lower than the 2015 average caseload which has created under expenditures in the Social Assistance expenses. This trend is expected to continue through to the end of the year along with higher than anticipated reimbursements and recoveries. This combination is expected to result in an estimated year end surplus of \$65,700 in this budget.

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

The Community Homelessness Prevention Initiative (CHPI) is 100% provincially funded and expenditures are being held on budget. Based on year to date expenditures and the increasing requests for Sustainable Housing Benefits, entitlement levels were decreased in order to be within budget by fiscal year end. An expenditure limit was also placed on Hostel costs.

### *Ontario Works Administration*

The Ontario Works Administration budget currently has savings mainly in salaries due to staff off on leave earlier in the year. A portion of the cost of the Ontario Works Manager who is acting as the Interim Children Services Manager was moved from this budget to the Child Care budget at the end of July. This under expenditure will continue in this budget along with savings from two additional staff vacancies that are expected

to occur in November and December. As a result; the current surplus of \$12,900 is projected to increase to \$27,400 by year end.

### *Ontario Works*

The Ontario Works budget contains savings in salaries similar to the Administration budget. In addition to these savings, the Employment Support budget continues to have under expenditures in employment related expenses. These lower costs are contributing to the year to date surplus of approximately \$33,900 in the Ontario Works budget.

If the savings in employment related expenses continue through to the end of the year along with staff vacancies; a surplus of \$58,400 is expected in the Ontario Works budget at year end.

### *Child Care*

The Child Care budget contains higher staff salaries than anticipated. The cost of an Ontario Works Manager was moved from Ontario Works to the Child Care budget in addition to the budgeted Children's Services Manager's wages for a two month period while the retiring Children's Services Manager was on vacation leave. In addition, an Ontario Works employee was reassigned to Children Services for three months to assist with workload pressures following a staff leave.

While these changes have created surpluses in the two Ontario Works budgets, they have resulted in over expenditures in Child Care salaries. Also, a second retirement is occurring this year and additional staff will be required during the replacement and training period leading up to that retirement in December.

Despite the over expenditures in Child Care salaries this year, no net levy impact is anticipated because Mitigation Funding will be used to fund these costs if needed. The estimated year-end surplus of \$2,600 is a result of a decrease in the required municipal contribution to Child Care in 2016.

Child Care Centre Fee Subsidy expenses are higher this year compared to 2015 costs. However, Private Home Day Care costs are underspent which is expected to offset the higher Fee Subsidy payments if they continue into the final months of 2016.

### *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 September 30, 2016, a year end surplus of approximately \$154,100 is projected. There are no legal or IT considerations related to this report. The cost of staff reassignments to Child Care are expected to be funded from Mitigation Funding if needed.

Staff will continue to monitor financial statements and will provide an update to this year end projection, along with recommendations as to the treatment of this estimated year end surplus for Council's consideration in January 2017.

### 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, Director*