

Report FR-SS-28-14

To: Chair Burley and Members of the Social Services Committee
From: Mary Lou Spicer, Deputy Director of Finance
Meeting Date: July 16, 2014
Subject: **Long Term Care Financial Update and Year-End Projection as of May 31, 2014**
Status: Recommendation adopted by Committee as presented per Resolution SSC52-14; Endorsed by County Council August 5, 2014 per Resolution CC109-14;

Recommendation(s)

THAT the Social Services Committee receive Report FR-SS-28-14 regarding a Financial Update and Year-End Projection as of May 31, 2014 for those budgets under the direction of the Long Term Care Department.

Background

The purpose of this report is to provide members of the Social Services Committee with a financial update for those budgets under the direction of the Long Term Care Department based upon financial statements as of May 31, 2014.

Summary

The financial statements have been reviewed with the respective Administrator and their comments have been taken into account for the preparation of this report. This report is based upon May 2014 financial statements as well as having taken into account known expenses that have been incurred since that time as well as calculating best estimates for the remainder of the year.

The projections take into account the annual change in Case Mix Index (CMI) that was announced after the budget was prepared; the unbudgeted funding increase that pertains to 2014 was discussed in report LTCR-SS-06-14 and is summarized as follows:

- Grey Gables \$18,920
- Lee Manor \$98,703

- Rockwood Terrace \$81,918

Unlike previous years, there has not been an announcement regarding funding envelope increases; historically there would have been a July increase and that was delayed as the result of the provincial election. A funding envelope increase was not budgeted, staff is hopeful that an increase will be announced retroactive to July and any increase will result in additional unbudgeted funding that will assist 2014 as well as form 2015 base funding.

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

Departmental Budget	Projected Year-End Surplus/Deficit
Grey Gables	\$0
Lee Manor	\$0
Rockwood Terrace	\$40,000
Total	\$40,000

Grey Gables

It is anticipated that the Grey Gables operating costs will come in close to budget at year-end. The unbudgeted funding increase of \$18,920 and higher than budgeted preferred accommodation revenue of approximately \$8,000 will be used to cover higher than anticipated maintenance and snow removal costs. The \$30,000 snow removal budget has been fully spent and staff estimates that based upon 2013, this budget will have a \$14,600 shortfall at year-end. Nursing staff are monitoring costs as higher than anticipated costs for medical and ostomy supplies and non-claimable high intensity needs program costs are being experienced.

Lee Manor

A review of the Lee Manor financial statements to the end of May indicates that the budget will be close to balanced at year-end. The unbudgeted funding increase will be offset by higher than budgeted legal and modified duty costs and the impact of the non-union grid adjustment. Lee Manor last received a Hydro invoice in November 2013; this has the potential to create a shortfall however staff does not have information to determine if this is the case. Staff is following up with Hydro and information will be provided in the next financial update.

Rockwood Terrace

Rockwood Terrace is expected to have a small surplus of approximately \$40,000 at year-end. This is the result of the unbudgeted funding increase, higher than budgeted

preferred accommodation revenue and \$12,300 in savings from a completed capital project. These surplus funds have been reduced by the non-union grid adjustment and a greater than budgeted need for modified duty; the budget for this line was fully spent by the end of June and based upon information currently available, modified duty may exceed budget by \$40,000 at year-end. Staff will continue to monitor this budget line and will provide an update in the next financial report.

Financial / Staffing / Legal / Information Technology

Considerations

A review of the actual to budget, as of the end of May projects that the Long Term Care budgets will have a budget surplus of approximately \$40,000 (\$27,700 from operating budgets and \$12,300 from capital budgets) at year-end.

Staff will continue to monitor the financial statements; financial projections will be updated and presented to the Social Services Committee later this year.

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 - none

Respectfully submitted by,

Mary Lou Spicer
Deputy Director of Finance

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