

Report to: Finance + Audit Committee, Board of Health
Submitted by: Dr. Nicola Mercer, MOH / CEO
Subject: 2019 FOURTH QUARTER FINANCIALS

RECOMMENDATION(S)

- (a) That the Finance + Audit Committee makes recommendation to the Board of Health to receive the 2019 Fourth Quarter Financials, for information.

BACKGROUND

Wellington-Dufferin-Guelph Public Health's (WDGPH) annual budget consists of several sub-budgets that are based on the way funding is provided to the Agency. These sub-budgets have been numbered in the report that follows and the numbering sequence is used consistently throughout.

WDGPH's main budget consists of the sub-budgets numbered (1) through (7), below. In addition to the main budget, WDGPH receives several community grants for projects which are aligned with and build upon the work of WDGPH in the community. These community grants are numbered (8) through (14) below.

WDGPH's cost-shared budgets (1 & 2) comprise approximately 80% of the overall budget. This funding is provided on a 70-30 split basis between the Ministry of Health (Ministry) and the three Municipalities that WDGPH exists to serve. *Appendix 1* provides details of the financial activities that relate to these budgets for Board of Health (BOH) review.

No.	Program/Budget Name	Funder(s)	Year-end
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Cost-Shared Sub-budgets

1	Cost-shared Mandatory Programs	Ministry; City of Guelph; County of Wellington; County of Dufferin	December 31
2	Cost-shared Related Programs	Ministry; City of Guelph; County of Wellington; County of Dufferin	December 31

100% Funded Sub-budgets

3	100% MOH Funded Programs	Ministry	December 31
4	Healthy Babies Healthy Children	Ministry of Children, Community and Social Services (MCCSS)	December 31
5	Preschool Speech and Language	MCCSS	March 31
6	Inclusion Support Services	County of Wellington	December 31
7	Canadian Prenatal Nutrition Program (CPNP)	Public Health Agency of Canada (PHAC)	March 31

External Projects

8	Poverty Elimination Task Force (PETF)	City of Guelph, County of Wellington, United Way Wellington-Dufferin-Guelph	December 31
9	Children's Report Card	County of Wellington	December 31
10	Evidence Informed Planning Project	Dufferin Coalition for Kids	March 31, 2019
11	Preventing Cannabis Harms Through A Youth Driven Campaign	Gambling Research Exchange Ontario	March 28, 2019
12	Mental Health and Addictive Disorders Prevention Program for Grade 7 Students	Gambling Research Exchange Ontario	March 29, 2019
13	ElderTALK	Gambling Research Exchange Ontario	December 31, 2019
14	Climate Change	Health Canada	March 31, 2019

One-Time Grants

15	One-Time Grants	Ministry	March 31
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The 2019 budget, which was approved by the BOH on March 6, 2019, included sub-budgets (1), (2), and (3) above. These sub-budgets, along with the One-Time Grant requests (15) were submitted to the Ministry via the Annual Service Plan and Budget Submission on March 6, 2019.

The 2019 provincial funding approval from the Ministry was received on August 20, 2019.

PUBLIC HEALTH AND/OR FINANCIAL IMPLICATIONS:**Appendix 1: Cost-shared Mandatory Programs (1)**

Cost-shared Mandatory Programs are the public health programs and services that are funded by the Ministry and the three obligated municipalities under Regulation 553 of the Health Protection and Promotion Act (HPPA): the County of Wellington, the County of Dufferin, and the City of Guelph. Boards of health are responsible for allocating this funding to meet the requirements of the HPPA, the Ontario Public Health Standards (OPHS) and Protocols, and the Accountability Framework, according to local needs and priorities.

Current Net Position:

Appendix 1 represents the statement of revenue and expenditures for the twelve months ended December 31, 2019 for the Cost-Shared Mandatory programs.

As reported on the attached Statement of Revenue and Expenditures at *Appendix 1*, there was a positive variance of \$59,274 representing only 0.3% of the budgeted spending for the full fiscal year.

Budget to actual variances of greater than \$100,000 are explained below:

Salary and benefits expenses were \$242,295 under budget due to vacant positions and leaves of absence (medical and parental leaves).

Professional and purchased services expenses were \$269,034 under budget for the period. Major contributors to this variance are lower than budgeted legal fees, consulting fees, clinic physician costs and program advertising.

Building Occupancy expenses were \$330,142 over budget for the period, mainly due to the expenditure for Orangeville office renovations of approximately \$325,000. This expense was originally slated to be funded solely using Building Reserves but is currently reported as an operating expense, as directed by the BOH.

Information and IT equipment expenses were \$345,474 over budget for the period, due mainly to the following:

- \$175,000 (approx.) - expenditure for the procurement of Enterprise Resource Planning software (Sparkrock), which originally was slated to be funded solely using IT Reserves but is currently reported as an operating expense as directed by the BOH;
- \$100,000 (approx.) – a replacement telephone system was purchased late in 2019, as the agency determined that the current legacy system was not functioning as required and that deferring the replacement any further posed a serious risk of failure during a busy time of year.

Expenditure recoveries and offset revenue exceeded budget by \$156,967 due in part to the following areas:

- Higher volume and \$ value of vaccine sales than originally estimated;
- Rental revenues from leased space in Orangeville office (3rd floor) to local MPP not originally budgeted. Lease began in September 2019;
- Grants awarded to WDGPH for projects undertaken in 2019 (e.g. School Climate/Youth Survey).

Appendix 2: All Other Programs (2 – 14)

Appendix 2 presents the funding received and expenditures made for the period for all other ongoing programs/initiatives at WDGPH. For these programs funding is recorded as it is received (on a cash basis) throughout the year. Accruals and deferrals are made as required only at year-end. The timing of receipt of funding may not correspond to the planned expenditures for that funding (for example, in the case of the Vector-Borne Diseases program,

funding is flowed evenly throughout the year, but a large portion of that funding is spent over the summer months for mosquito larvaciding).

A description of each of the programs on Appendix 2 follows:

Ministry Cost-Shared Related Programs

Vector Borne Diseases – funding provided for this program must be used for the ongoing surveillance, public education, prevention and control of all reportable and communicable vector-borne diseases and outbreaks of vector-borne disease, which include, but are not limited to, West Nile Virus and Lyme Disease.¹

Small Drinking Water Systems – this funding is provided to support the ongoing assessments and monitoring of small drinking water systems. Under this program, public health inspectors are required to conduct new and ongoing site-specific risk assessments of all small drinking water systems within the oversight of the BOH; ensure system compliance with the regulation governing the small drinking water systems; and ensure the provision of education and outreach to the owners/operators of small drinking water systems.¹

Ministry 100% Funded Related Programs

Ontario Seniors Dental Care Program – This new program was announced by the government in the April 2019 Ontario Budget to provide low-income Seniors (greater than 65 years of age) with a no-cost (or low cost) alternative for dental care in Ontario.

Needle Exchange – This funding is provided for the purchase of needles and syringes, and their associated disposal costs, for the BOH's Needle Exchange Program.¹

Enhanced Food Safety – This initiative was established to augment the BOH's capacity to deliver the Food Safety Program.¹

Healthy Smiles Ontario – This program provides prevention and basic treatment services for children and youth from low-income families who are 17 years of age or under and who do not have access to any form of dental coverage.¹

Infectious Diseases Control Initiative – This funding is provided for the sole purpose of monitoring and controlling infectious diseases and enhancing the BOH's ability to handle and coordinate increased activities related to outbreak management.¹

Smoke Free Ontario – This funding is provided in support of the government's Healthy Change Strategy and Action Plan. The Smoke-Free Ontario Strategy is a multi-level comprehensive tobacco control strategy aiming to eliminate tobacco-related illness and death by preventing experimentation and escalation of tobacco use among children, youth and young adults; increasing and supporting cessation by motivating and assisting people to quit tobacco use; and protecting the health of Ontarians by eliminating involuntary exposure to second-hand smoke.¹

Electronic Cigarettes Act – This funding was provided for the implementation and enforcement of the *Electronic Cigarettes Act (ECA)*.

Harm Reduction Program Enhancement – This funding is provided to help the BOH address local Opioid use through three main areas:

- Local Opioid Response;
- Naloxone Distribution and Training; and
- Opioid Overdose Early Warning and Surveillance.

Enhanced Safe Water – The purpose of this initiative is to increase the BOH's capacity to meet the requirements of the Safe Water Program Standard under the OPHS.¹

Chief Nursing Officer – Funding is provided for the Chief Nursing Officer position at WDGPH. The purpose of the Chief Nursing Officer position in each BOH is to enhance the health outcomes of the community at individual, group and population levels, through contributions to organizational strategic planning and decision making; by facilitating recruitment and retention of qualified, competent public health nursing staff and by enabling quality public health nursing practice.¹

Infection Prevention and Control Nurse – This funding is provided to contribute to the cost of a Public Health Nurse, and the majority of the nurse's time must be spent on infection prevention and control activities.¹

Social Determinants of Health Nurses Initiative – With this funding, public health nurses with specific knowledge and expertise on social determinants of health and health inequities issues will provide enhanced supports internally and externally to the BOH to address the needs of priority populations impacted most negatively by the social determinants of health in the BOH area.¹

MOH/AMOH Compensation Initiative – Funding is provided by the Province to subsidize the salary/benefits/stipends for the Medical Officer of Health and Associate Medical Officer of Health to ensure compensation falls within the salary ranges outlined in the 2012 Physician Services Agreement and subsequent addendums to that agreement.¹

MCCSS Funded Programs

Healthy Babies Healthy Children – The MCCSS provides funding for this program with the goal of helping children get a healthy start in life. The program does this by helping infants and children up to age six and their families through screening and assessments, supports for new parents and help in finding community programs and resources.²

Preschool Speech and Language – As the lead agency for the Wellington-Dufferin-Guelph area Preschool Speech and Language Program, WDGPH coordinates the provision of speech pathology services delivered by Groves Memorial Community Hospital, North Wellington Health Care Corporation and St. Joseph's Health Centre. This funding has a fiscal year of April to March.

Other Funded Programs

County of Wellington Weetalk - This funding is provided by the County of Wellington for a program called Weetalk. Weetalk funds Speech Language Pathologists (SLPs) in licensed childcares to provide support to staff to integrate children with language challenges fully into their programs.

Canadian Prenatal Nutrition Program - This funding is provided by the PHAC, on an April to March fiscal year, to deliver a comprehensive program to promote and support optimal nutrition and health in pregnant and early postpartum women who live in difficult life situations.³

Other Community Grants - Various other community grants are provided by the municipalities served by WDGP and other community partners, including: United Way Wellington-Dufferin-Guelph, Dufferin Coalition for Kids, and Gambling Research Exchange Ontario. The work undertaken with this funding aligns with the mandate of WDGP under the OPHS.

Appendix 3 – One-time Grants

Appendix 3 presents the one-time grants approved as part of the 2019 Provincial Funding Approval. The 2018 one-time grants were approved for use between April 1, 2018 and March 31, 2019. Funds remaining from the one-time grant for the ERP software were used to offset expenditures on this system in 2019.

APPENDICES:

Appendix 1 – Statement of Revenue & Expenditures for the twelve months ended December 31, 2019 – Cost-Shared Mandatory Programs

Appendix 2 – Q4 Financial Report 2019: All Other Programs

Appendix 3 – Q4 Financial Report 2019: 100% Ministry-Funded One-Time Grants

REFERENCES:

1. Ontario. Ministry of Health and Long-Term Care. Financial Planning, Accountability and User Guide for Program-Based Grants for Mandatory and Related Public Health Programs and Services; 2015.
2. Ministry of Children, Community and Social Services [homepage on the Internet]. Available from: <http://www.children.gov.on.ca/htdocs/English/topics/earlychildhood/health/index.aspx>.
3. Canada. Public Health Agency of Canada. Canada Prenatal Nutrition Program Contribution Agreement; October 2013.

Prepared by:
Rob Cunnington, CPA CA
Manager, Finance

Reviewed by:
David Kingma,
Director – Administrative
Services

Original Signed Document on File

Approved by:
Dr. Nicola Mercer,
Medical Officer of Health &
CEO

Wellington-Dufferin-Guelph Public Health

Appendix 1

Statement of Revenue and Expenditures
Total Cost-Shared Mandatory Programs
For the Quarter ended December 31, 2019

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance	
	2019	2019	2019	Variance*	%	Variance Explanations (> \$100,000) *
	\$	\$	\$	\$	%	
Municipal and provincial funding						
MOHLTC - Base funding	12,345,700	12,345,700	12,345,700	0	0.0%	
City of Guelph	3,912,072	3,912,072	3,912,072	0	0.0%	
County of Wellington	2,700,442	2,700,442	2,700,442	0	0.0%	
County of Dufferin	1,827,476	1,827,476	1,827,476	0	0.0%	
	20,785,690	20,785,690	20,785,690	0	0.0%	
Other revenue						
Interest	27,000	27,000	64,764	37,764	139.9%	
Transfers from reserve	22,333	22,333	0	(22,333)	-100.0%	
	49,333	49,333	64,764	15,431	31.3%	
Total revenue	20,835,023	20,835,023	20,850,454	15,431	0.1%	
Expenses						
Employee salaries, wages and benefits	15,719,587	15,719,587	15,477,294	242,293	1.5%	• Savings due to vacant positions and leaves of absence.
Staff training	225,657	225,657	202,199	23,458	10.4%	
Board/volunteer training and recognition	38,500	38,500	12,480	26,020	67.6%	
Travel	254,146	254,146	235,253	18,893	7.4%	
Building occupancy	2,257,894	2,257,894	2,588,036	(330,142)	-14.6%	• Orangeville office renovations (\$325,000) reported as an operating expense.
Office expenses, printing, postage	175,323	175,323	121,174	54,149	30.9%	
Professional and purchased services	775,793	775,793	506,759	269,034	34.7%	• Actuals lower than budgeted for legal fees, consulting fees, clinic physician costs, etc.
Program materials and supplies	496,000	496,000	525,306	(29,306)	-5.9%	
Office equipment	10,795	10,795	7,758	3,037	28.1%	
						• \$175,000 (approx.) - purchase of ERP software (Sparkrock), excluding implementation
Information and IT equipment	781,949	781,949	1,127,423	(345,474)	-44.2%	• \$100,000 (approx.) – replacement telephone system was purchased late in 2019
Communication costs	143,680	143,680	188,766	(45,086)	-31.4%	
Transfers to Reserve Funds	384,727	384,727	384,727	0	0.0%	
Total net operating costs	21,264,051	21,264,051	21,377,175	(113,124)	-0.5%	
						• Higher \$ value of vaccine sales than originally estimated;
						• Rental revenues in Orangeville office not originally budgeted. Lease began in September 2019;
Expenditure recoveries	(429,028)	(429,028)	(585,995)	156,967	-36.6%	• Grants awarded to WDGPH for projects undertaken in 2019 (e.g. School Climate/Youth Survey).
Total net expenditures after expenditure recoveries	20,835,023	20,835,023	20,791,180	43,843	0.2%	
Excess of revenue over expenditures	0	0	59,274	59,274		

* Variances greater than \$100,000 are explained in greater detail within body of the accompanying report.

Program/Initiative Name	Provincial/ Municipal Split	Fiscal Year-end	Provincial Funding Requested	Municipal Funding Approved	"Other" Funding Approved	Total Program/ Initiative Budget	Funding Received to Date	Expenditures Incurred to Date	Excess (Deficiency) of Funding over Expenditures	Expected Surplus (Deficit) at Year-End
Vector-Borne Diseases (2)	Cost-Shared	December 31st	150,700	58,917		209,617	209,617	209,617	0	0
Small Drinking Water Systems (2)	Cost-Shared	December 31st	40,600	15,040		55,640	55,640	55,640	0	0
Needle Exchange (3)	100% Provincial	December 31st	61,000			61,000	61,000	61,000	0	0
Enhanced Food Safety (3)	100% Provincial	December 31st	40,300			40,300	40,300	40,300	0	0
Healthy Smiles Ontario (3)	100% Provincial	December 31st	817,400			817,400	817,400	817,400	0	0
Infection Control (3)	100% Provincial	December 31st	333,400			333,400	333,400	333,400	0	0
Smoke Free Ontario (3)	100% Provincial	December 31st	409,500			409,500	409,500	409,500	0	0
Electronic Cigarettes Act (3)	100% Provincial	December 31st	19,200			19,200	19,200	19,200	0	0
Harm Reduction Program Enhancement (3)	100% Provincial	December 31st	150,000			150,000	150,000	150,000	0	0
Enhanced Safe Water (3)	100% Provincial	December 31st	21,600			21,600	21,600	21,600	0	0
Chief Nursing Officer (3)	100% Provincial	December 31st	121,500			121,500	121,500	121,500	0	0
Infection Prevention and Control Nurse (3)	100% Provincial	December 31st	90,100			90,100	90,100	90,100	0	0
Social Determinants of Health Nurses (3)	100% Provincial	December 31st	180,500			180,500	180,500	180,500	0	0
MOH Compensation (3)	100% Provincial	December 31st	83,710			83,505	224,015	224,015	0	0
Healthy Babies Healthy Children (4)	100% Provincial	March 31st	1,567,992			1,567,992	1,568,935	1,551,430	17,505	0
Preschool Speech and Language (5)	100% Provincial	March 31st	1,013,216		61,283	1,074,499	822,986	810,728	12,258	0
County of Wellington Weetalk (6)	100% Municipal	December 31st		367,921		367,921	367,921	367,893	28	0
Canadian Prenatal Nutrition Program (7)	100% PHAC	March 31st			63,410	63,410	0	39,033	(39,033)	0
External Projects* (8, 9, 10, 11, 12,13,14)	Various funders*	March 31st / December 31st		168,100	334,274	502,374	356,836	315,964	40,872	0
Ontario Seniors' Dental Care Program (3)	100% Provincial	December 31st	651,825			651,825	450,381	450,381	0	0

Name of Grant	Budget Year of Request	Fiscal Period for Eligible Expenditures	Approved 2018 Provincial One-Time Funding deferred for use up to March 31, 2019	Approved 2019 Provincial One-Time Funding deferred for use up to March 31, 2020	Total Expenditures 2019	Balance Re-payable to MOHTLC
Enterprise Resource Planning Software Procurement	2018	April 1, 2018 to March 31, 2019	19,390		19,390	-
Adverse Childhood Experiences Survey	2018	April 1, 2018 to March 31, 2019	406		-	406
Preconception Health Risk Assessment	2018	April 1, 2018 to March 31, 2019	9,744		9,744	
Vision Screening	2018	April 1, 2018 to March 31, 2019	72,199		72,199	
Public Health Inspector Practicum Program	2019	April 1, 2019 to March 31, 2020		10,000	10,000	
New Purpose-Built Vaccine Refrigerators	2019	April 1, 2019 to March 31, 2020		11,000	10,363	637
Total			101,739	21,000	121,696	1,043