

**Report to:** Finance + Audit Committee, Board of Health  
**Submitted by:** Dr. Nicola Mercer, MOH / CEO  
**Subject:** 2020 THIRD QUARTER FINANCIALS

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## RECOMMENDATION(S)

- (a) That the Finance + Audit Committee makes recommendation to the Board of Health to receive the 2020 Third Quarter Financials, as presented, 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.

The Agency's main budget consists of the sub-budget items numbered (1) through (6) 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 (7) through (13) below.

The Agency's cost-shared budget comprises approximately 85% of the overall budget. This funding is provided on a 60-40 split basis between the Ministry of Health (the "Ministry") and the three Municipalities that WDGPH exists to serve. *Appendix 1* provides details of the financial activities that relate to these budgets for 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
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No.	Program/Budget Name	Funder(s)	Year-end
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#### 100% Funded Sub-budgets

2	Ministry 100% - Funded Programs <ul style="list-style-type: none"> <li>• MOH/AMOH Compensation Initiative</li> <li>• Ontario Seniors Dental Care Program</li> <li>• COVID-19 School-Focused Nurses Initiative</li> </ul>	Ministry	December 31
3	Healthy Babies Healthy Children	Ministry of Children, Community and Social Services (MCCSS)	March 31
4	Preschool Speech and Language	MCCSS	March 31
5	Inclusion Support Services	County of Wellington	December 31
6	Canadian Prenatal Nutrition Program (CPNP)	Public Health Agency of Canada (PHAC)	March 31

#### External Projects

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

#### One-Time Grants

14	One-Time Grants	Ministry of Health	March 31
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The 2020 budget which was approved by the Board of Health on November 6, 2019 included sub-budgets (1) and (2) above. These sub-budgets, along with the One-Time Grant requests (14) were submitted to the Ministry via the Annual Service Plan and Budget Submission on February 3, 2020.

The provincial funding approval from the Ministry was received in August 2020.

## **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 of Health 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 nine months ending on September 30, 2020 for the Cost-Shared programs.

As reported in the attached Statement of Revenue and Expenditures (Appendix 1), there was a positive variance of \$82,298 representing 0.3% of the budgeted spending for the first nine months, after the Ministry-initiated reimbursable program is applied (i.e., a Ministry initiative designed to help cover pandemic-related costs that exceed the budget capabilities of the province's Public Health Units).

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

**Employee salaries and benefits** were \$1.6 million more than budgeted for the period. Most of these expenses relate to the additional personnel costs required for the Agency's COVID-19 pandemic response. This includes both extra time for current staff, and the hiring of additional staff to assist in the pandemic response (details below).

**Professional and purchased services** expenses were \$116,756 less than budgeted for the period, primarily due to the temporary hold applied to several programs that has been required so the Agency is able to devote the majority of its efforts towards the pandemic.

**Transfers to Reserves** – Reflects the Ministry decision to restore base funding to 2019 funding levels. In response to this Ministry decision, an additional transfer of \$500k into the Agency's contingency reserve was made to support, among others, the emergence of unexpected and additional pandemic-related costs.

**COVID-19** expenses total approximately \$2.1 million for the period covered in this report. The majority of these expenses are expected to be reimbursed by the Ministry of Health later in the 4<sup>th</sup> Quarter of 2020. The Agency reported, and is projecting, an estimated total of \$2.8 million in COVID-19 pandemic costs for the 2020 year. These costs are outlined in the table that follows on the next page:

COVID-19 COSTS	A	B	A + B
	YTD Costs (Sept 30)	Forecast - Oct to Dec	Total Costs 2020
<b>Expenses</b>	\$	\$	\$
Employee salaries, wages, and benefits for: - additional temporary staff hired to support the Agency's Call Centre and Contract Tracing operations - additional hours for existing permanent staff	1,516,085	621,000	2,137,085
Travel (mileage between work places, schools and clinical settings for community support activities)	43,161	12,000	55,161
Building occupancy (clinical supply storage)	5,600	600	6,200
Office expenses for Call Centre & Case Management administration	15,099	3,000	18,099
Professional and purchased services (legal fees & multi-media pandemic messaging support)	123,168	19,800	142,968
Program materials and supplies (PPE, clinical supplies, etc.)	170,260	12,000	182,260
Information and IT expenses: - laptops, software, telephony system upgrade to enhance Call Centre and remote working capacity	220,235	22,200	242,435
Communication expenses	3,258	3,000	6,258
<b>Combined Costs:</b>	<b>2,096,880</b>	<b>693,600</b>	<b>2,790,480</b>
Less: Managed within Cost-Shared Budget:	600,000	200,000	800,000
<b>Total net operating costs:</b>	<b>1,496,880</b>	<b>493,600</b>	<b>1,990,480</b>

### **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.*

Funds received for all programs/initiatives are expected to be fully spent in 2020.

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

## **Ministry's 100% - Funded Programs**

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

**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.<sup>1</sup>

**COVID-19 School-focused Nurses Initiative** – Funding was allocated by the Ministry to assist local health units in ensuring all publicly-funded schools were operating within COVID-19 guidelines and tracing any positive cases within schools.

## **MCCSS Funded Programs**

**Healthy Babies Healthy Children (HBHC)** – 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.<sup>2</sup> This funding has a fiscal year of April 1 to March 31.

**Pre-school Speech and Language (PSL)** – 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 1 to March 31.

**County of Wellington Wee Talk** - This funding is provided by the County of Wellington for a program called Wee Talk. Wee Talk 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 (CPNP)** - 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.<sup>3</sup>

**Other Community Grants** - Various other community grants are provided by the municipalities served by WDGPH 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 WDGPH under the OPHS.

### **Appendix 3 – One-time Grants**

**Appendix 3** presents the one-time grants approved as part of the 2019 Provincial Funding Approval which were deferred to the first quarter of 2020 in accordance with the funding approval provided by the MOH, as well as the approved 2019 one-time grants. The 2019 one-time grants were approved for use between April 1, 2019 and March 31, 2020.

#### **APPENDICES:**

*Appendix 1* – Statement of Revenue & Expenditures for the nine months ended September 30, 2020 – Cost-Shared Mandatory Programs

*Appendix 2* – Q3 Financial Report 2020: All Other Programs

*Appendix 3* – Q3 Financial Report 2020: 100% Ministry of Health 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.

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*Original Signed Document on File*  
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# Wellington-Dufferin-Guelph Public Health

## APPENDIX 1

### Statement of Revenue and Expenditures

#### Total Cost-Shared Mandatory Programs

For the Year-to-Date ended September 30, 2020 (Q3)

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance	Variance Notes (> \$100k)
	\$	\$	\$	\$	%	
<b>Municipal and provincial funding</b>						
Ministry of Health - Base funding	14,246,268	10,684,701	11,189,728	505,027	4.7%	Note 1
City of Guelph	4,025,278	3,018,958	3,018,958	0	0.0%	
County of Wellington	2,778,587	2,083,940	2,083,940	0	0.0%	
County of Dufferin	1,880,360	1,410,270	1,410,270	0	0.0%	
	<b>22,930,493</b>	<b>17,197,869</b>	<b>17,702,896</b>	<b>505,027</b>	<b>2.9%</b>	
<b>Other revenue</b>						
Interest	27,000	20,250	20,862	612	3.0%	
Transfers from reserve	22,333	0	0	0	100.0%	
	<b>49,333</b>	<b>20,250</b>	<b>20,862</b>	<b>612</b>	<b>3.0%</b>	
<b>Total revenue</b>	<b>22,979,826</b>	<b>17,218,119</b>	<b>17,723,758</b>	<b>505,639</b>	<b>2.9%</b>	
<b>Expenses</b>						
Employee salaries, wages and benefits	17,349,603	12,597,462	14,155,517	(1,558,055)	-12.4%	Note 2
Staff training	179,056	114,361	31,365	82,996	72.6%	
Board of Health	34,650	23,855	5,343	18,512	77.6%	
Travel	265,483	199,415	120,156	79,259	39.7%	
Building occupancy	2,218,715	1,667,925	1,714,593	(46,668)	-2.8%	
Office expenses, printing, postage	159,193	145,780	97,405	48,375	33.2%	
Professional and purchased services	848,275	656,932	540,176	116,756	17.8%	Note 3
Program materials and supplies	663,101	501,137	433,977	67,160	13.4%	
Office equipment	7,868	5,764	(387)	6,151	106.7%	
Information and IT expenses	749,474	657,387	720,501	(63,114)	-9.6%	
Communication costs	162,882	122,161	179,153	(56,992)	-46.7%	
One-time strategic investments	346,000	262,000	205,000	57,000	0.0%	
Transfers to Reserve Funds	388,574	388,574	888,574	(500,000)	-128.7%	Note 4
<b>Total net operating costs</b>	<b>23,372,874</b>	<b>17,342,753</b>	<b>19,091,373</b>	<b>(1,748,620)</b>	<b>-10.1%</b>	
Less: Current YTD COVID-19 (reimbursable costs)			2,096,880	(2,096,880)		Note 5
COVID-19 costs to be covered by Cost-shared Budget			(605,000)	605,000		
<b>Total net operating costs after Covid-19</b>	<b>23,372,874</b>	<b>17,342,753</b>	<b>17,599,493</b>	<b>(256,740)</b>	<b>-1.5%</b>	
Expenditure recoveries and Other Revenues	(393,048)	(274,036)	(107,435)	(166,601)	60.8%	Note 6
<b>Total net expenditures after expenditure recoveries</b>	<b>22,979,826</b>	<b>17,068,717</b>	<b>17,492,058</b>	<b>(423,341)</b>	<b>-2.5%</b>	
<b>Excess/(deficit) of revenue over expenditures</b>	<b>0</b>	<b>149,402</b>	<b>231,700</b>	<b>82,298</b>		

#### Notes:

##### 1 Ministry of Health - base funding

Ministry of Health funding levels for 2020 have been restored to 2019 funding levels in recognition of the cost-shared allocation between WDGPH and the three municipalities. Hence, the variance depicted in the report is not a true increase in funding in 2020, but simply a comparison to the original 2020 budgeted amount.

##### 2 Employee Salaries and Benefits - overspending includes approximately \$1.6 million in personnel costs related to the COVID-19 pandemic response.

##### 3 Professional and purchased services - underspending due to delay in regular program operations during COVID-19 pandemic response.

##### 4 Transfers to Reserve Funds - reflects the Ministry decision to restore base funding to 2019 funding levels. In response to this Ministry decision, an additional transfer of \$500k into the Agency's contingency reserve was made to support, among others, the emergence of unexpected and additional pandemic-related costs.

##### 5 COVID-19 pandemic costs to be reimbursed by Ministry of Health later in 2020.

COVID-19 "unbudgeted" costs were reported to Ministry of Health in September, with follow-up questions from Ministry staff answered in October. WDG reported an estimated \$2.8 million in unbudgeted pandemic costs for the full 2020 fiscal year (forecast to year-end), with a request to reimburse the Agency for \$2 million of this total. The remaining \$800k of these unbudgeted costs will be covered through the Agency's budget.

##### 6 Expenditure recoveries and Other Revenues - this reduction reflects the decrease in vaccination program sales and publicly-offered courses during the COVID-19 pandemic

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

Wellington-Dufferin-Guelph Public Health  
 Financial Report - September 2020 (Q3)  
 All Other Programs (Fund category 2 through 14)

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	Notes
AMOH/MOH Compensation (3)	100% Provincial	December 31st	138,118			138,118	66,782	67,953	(1,171)	0	1
Ontario Seniors' Dental Care Program (3)	100% Provincial	December 31st	869,100			869,100	811,831	335,649	476,182	0	2
Healthy Babies Healthy Children (4)	100% Provincial	March 31st	1,567,992			1,567,992	1,175,994	1,162,995	12,999	0	3
Preschool Speech and Language (5)	100% Provincial	March 31st	1,013,216		61,283	1,074,499	821,197	692,023	129,174	0	3
County of Wellington Wee Talk (6)	100% Municipal	December 31st		367,921		367,921	275,941	252,833	23,108	0	4
Canadian Prenatal Nutrition Program (7)	100% PHAC	March 31st			63,410	63,410	0	45,102	(45,102)	0	5
External Projects* (8, 9, 10, 11, 12,13,14)	Various funders*	March 31st / December 31st		181,038	295,992	477,030	127,913	204,049	(76,136)	0	

**Notes:**

1. **AMOH/MOH Compensation** - difference will be reconciled at year-end through discussions with Ministry of Health.
2. **Ontario Seniors' Dental Care Program** - underspending due to program delay during COVID-19 pandemic response, but projected excess/surplus in 2020 can be utilized to cover "clinic upgrade" capital costs, including equipment, as per discussion with Ministry of Health.
3. **Healthy Babies Healthy Children / Preschool Speech and Language** - programs delayed during COVID-10 pandemic response, but funding from MCCSS continues. Balances will be reconciled by March 31, 2021.
4. **County of Wellington Wee Talk** - program defrayed during COVID-19 pandemic response. Expenses lower at Q3 due to delay in invoicing by program partners and "excess" will be eliminated later in 2020.
5. **Canadian Prenatal Nutrition Program** - program funding is provided on a "reimbursement" basis, such that expenses are billed periodically during the year. Deficit not expected by March 31st.



**Wellington-Dufferin-Guelph Public Health  
Financial Report September 2020 (Q3)  
100% Ministry of Health-Funded One-Time Grants (15)**

Name of Grant	Budget Year of Request	Fiscal Period for Eligible Expenditures	Approved 2020 Provincial One-Time Funding deferred for use up to March 31, 2021	Total Expenditures To Date	Balance Unspent	Notes
New Purpose-Built Vaccine Refrigerators	2020	April 1, 2020 to March 31, 2021	33,000	-	33,000	1
Public Health Inspector Practicum Program	2020	April 1, 2020 to March 31, 2021	10,000	10,000	-	
COVID-19 Public Health Case and Contact Management Solution	2020	April 1, 2020 to March 31, 2021	28,600	-	28,600	2
COVID-19 School-Focused Nurses Initiative	2020	April 1, 2020 to March 31, 2021	938,000	234,500	703,500	3
Ontario Seniors Dental Care Program: Dental Clinic Upgrades - Guelph	2020	April 1, 2020 to March 31, 2021	135,300	34,371	100,929	4
Ontario Seniors Dental Care Program: Dental Clinic Upgrades - Orangeville	2020	April 1, 2020 to March 31, 2021	34,200	49,475	15,275	4
Temporary Pandemic Pay Initiative	2020	April 1, 2020 to March 31, 2021	131,200	-	131,200	5
<b>Total</b>			<b>1,310,300</b>	<b>328,346</b>	<b>981,954</b>	

**Notes:**

- 1. New Purpose-Built Vaccine Refrigerators** - 3 units have been ordered and will cost slightly above the total allocation, so funds will be fully spent.
- 2. COVID-19 Public Health Case and Contact Management Solution** - funding originally allocated to purchase a software solution for Case and Contact Mgmt now no longer required as a "solution" has been offered to Public Health Agencies to access without charge.
- 3. COVID-19 School-Focused Nurses Initiative** - allocation for 14 nurses between August 1, 2020 and March 31, 2021. Nurses hired and funds will be fully spent within the specified period.
- 4. Ontario Seniors Dental Care Program: Dental Clinic Upgrades** - renovations to both Guelph and Orangeville locations complete. Remaining capital funds will be used to complete purchase of necessary equipment and expected to be fully spent.
- 5. Temporary Pandemic Pay Initiative** - funds received from Ministry of Health, but nothing to be paid out as no current staff are eligible. Any funds received will be returned to Ministry at year-end.