

**Report to:** Finance Committee, Board of Health  
**Submitted by:** Elizabeth Bowden, Interim Director of Administrative Services  
**Subject:** 2017 FOURTH QUARTER FINANCIALS

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**RECOMMENDATION(S)**

- (a) That the Finance + Facilities Committee makes recommendation to the Board of Health to receive the 2017 Fourth Quarter Financials, as presented, for information.

**BACKGROUND**

Wellington-Dufferin-Guelph Public Health’s (WDGPH) annual budget consists of several sub-budgets based on different funders and funding structures. The sub-budgets have been numbered and these numbers have been used consistently throughout this report. The main budget of the organization 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 (12) below.

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

1	Cost-shared Mandatory Programs	Ministry of Health and Long-Term Care (MOHLTC); City of Guelph; County of Wellington; County of Dufferin	December 31 <sup>st</sup>
2	Cost-shared Related Programs	MOHLTC; City of Guelph; County of Wellington; County of Dufferin	December 31 <sup>st</sup>

**100% Funded Sub-budgets**

3	100% MOHLTC Funded Programs	MOHLTC	December 31 <sup>st</sup>
4	Healthy Babies Healthy Children	Ministry of Children and Youth Services (MCYS)	December 31 <sup>st</sup>
5	Preschool Speech and Language	MCYS	March 31 <sup>st</sup>
6	Wee-Talk	County of Wellington	December 31 <sup>st</sup>
7	Canadian Prenatal Nutrition Program (CPNP)	Public Health Agency of Canada (PHAC)	March 31 <sup>st</sup>

## External Projects

8	Poverty Elimination Task Force (PETF)	City of Guelph, County of Wellington, United Way Wellington-Dufferin-Guelph	December 31 <sup>st</sup>
9	Children's Report Card	County of Wellington	December 31 <sup>st</sup>
10	Nurturing Neighbourhoods	Family and Children's Services Guelph-Wellington	December 31 <sup>st</sup>
11	My Health e-Snapshot: A Preconception Health Research Study	Women's College Hospital	December 31 <sup>st</sup>
12	System of Care	County of Wellington, KidsAbility, Canadian Mental Health Association (CMHA) Waterloo-Wellington	December 31 <sup>st</sup>

## One-Time Grants

13	One-Time Grants	MOHLTC	December 31 <sup>st</sup> / March 31 <sup>st</sup>
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The 2017 budget, approved by the Board of Health on November 2, 2016, included sub-budgets (1), (2), and (3) above. These sub-budgets, along with the One-Time Grant requests (13) were submitted to the MOHLTC via the Program Based Grants (PBG) submission on March 1, 2017.

The provincial funding approval from the MOHLTC was received on November 15, 2017. Details of approved funding can be found in the Finance Committee Report – BH.04.JAN1718.R01 – 2017 Provincial Funding Approval.

## PUBLIC HEALTH AND/OR FINANCIAL IMPLICATIONS:

### **Appendix “A”: Cost-shared Mandatory Programs (1)**

*Cost-shared Mandatory Programs are the public health programs and services that are funded by the MOHLTC 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 Ontario Public Health Organizational Standards, according to local needs and priorities.*

### **Current Net Position:**

Appendix “A” represents the statement of revenue and expenditures for the year ended December 31, 2017, for the Cost-Shared Mandatory programs.

The year-end surplus is composed of two components: (i) outside of management control; and (ii) within management control.

(i) Outside of Management Control

A portion of the overall surplus resulted from additional funding received late in the year (November 15<sup>th</sup>) from the MOHLTC for expenditures that had already been made out of Cost-Shared Mandatory programs funding, which represents the amount of the year-end surplus that is outside of management control, as follows:

<b>Program/Initiative Name</b>	<b>Type</b>	<b>Amount</b>
Harm Reduction Program Enhancement	Base	\$150,000
Healthy Smiles Ontario	Base	47,000
Needle Exchange Program	Base	8,250
Reprocessing Room in a Box	One-Time	6,400
High Availability and Business Continuity Upgrade	One-Time	15,000
Data Breach Minimization	One-Time	15,000
Purpose Built Vaccine Refrigerator	One-Time	9,663
<b>Total</b>		<b>\$251,313</b>

These expenditures were re-allocated to the various Programs/Initiatives for which 100% MOHLTC funding was provided, creating a surplus in the Cost-Shared Mandatory Program fund.

(ii) Within Management Control

Without the additional 100% MOHLTC funding provided on November 15, 2017, there would have been a year-end surplus totalling \$285,776, representing 1.4% of the Cost-Shared Mandatory Programs budget. Two expenses account for the majority of this positive variance: (i) Legal fees and (ii) Non-publicly funded vaccines and contraceptives as described in more detail below.

Overall Year-end Surplus:

As reported on the attached statement at Appendix “A”, there was a surplus totalling \$537,089 for the year (representing 2.6% of the total Cost-Shared Mandatory Programs budget).

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

**Salary and benefits** expenses were on track to have a positive variance of \$18,213 until the receipt of the 100% MOHLTC funding on November 15<sup>th</sup> because the Senior Leadership Team actively manages salaries and benefits variances throughout the year. WDGPH was able to maximize the use of this 100% MOHLTC funding because funds had already been allocated to these initiatives through the internal process for managing positive variances throughout the year.

**Professional and Purchased Services** expense was lower than budgeted by \$138,420 due to lower than budgeted spending on consulting and legal fees which fluctuate from year to year. In particular, the cost of negotiations with the Ontario Nurses Association was in flux until the settlement was reached in mid-December.

**Program Materials and Supplies** expense was lower than budgeted by \$132,197 due to significantly lower than budgeted purchases of non-publicly funded vaccines and contraceptives. There were two main drivers of this variance: (i) the inability to purchase several types of non-publicly funded vaccine from suppliers due to supplier shortages; and (ii) a reduction in purchasing of contraceptives due to the announcement about OHIP Plus which will result in significantly less demand for WDGPH provided contraceptives. These savings are partially offset by lower than budgeted expenditure recoveries for the sale of non-publicly funded vaccines and contraceptives; both the contraceptives expense and expenditure recoveries budgets were reduced in 2018 as a result of the OHIP Plus program.

### **Appendix “B”: All Other Programs (2 – 12)**

Appendix “B” *presents the funding and expenditures for the period for all other ongoing programs at WDGPH.*

All funding was fully spent with the exception of the following:

#### **December 31<sup>st</sup> year-end programs/initiatives:**

- Vector-Borne Diseases – a program surplus totalling \$17,320 as a result of lower than budgeted costs for fees for services paid to the company that does the mosquito larvaciding in WDG. Although WDGPH has a multi-year contract for mosquito larvaciding services rates, the cost from year to year fluctuates based on the number of treatments required in any given season. As a result of this surplus, \$8,172 has been recorded as re-payable to the MOHLTC.
- Smoke-Free Ontario – a program surplus totalling \$2,103 has been recorded as re-payable to the MOHLTC.
- Electronic Cigarettes Act – a program surplus totalling \$12,685 resulted from later than initially planned government implementation of portions of the *Electronic Cigarettes Act* legislation that WDGPH is responsible for enforcing, and therefore this amount has been recorded as re-payable to the MOHLTC.
- County of Wellington Weetalk – a program surplus totalling \$8,015 has been approved for carryover to 2018 and has been recorded as deferred revenue as of December 31<sup>st</sup>.
- External Projects – surpluses totalling \$39,273 have been approved for carryover to 2018 and have been recorded as deferred revenue as of December 31<sup>st</sup>.

#### **March 31<sup>st</sup> year-end programs/initiatives:**

- Both the Preschool Speech and Language and Canadian Prenatal Nutrition Programs appear to be in a deficit position as of December 31<sup>st</sup>, however this is based on the timing of cash flows for these programs. Management expects to come in on budget for both of these programs as of their March 31<sup>st</sup> year-ends.

A description of each of the programs on Appendix “B” follows:

#### **MOHLTC 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.<sup>1</sup>

**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 Board of Health; 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.<sup>1</sup>

#### MOHLTC 100% Funded Related Programs

**Needle Exchange** – This funding is provided for the purchase of needles and syringes, and their associated disposal costs, for the Board of Health’s Needle Exchange Program.<sup>1</sup>

**Enhanced Food Safety** – This initiative was established to augment the Board of Health’s capacity to deliver the Food Safety Program.<sup>1</sup>

**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.<sup>1</sup>

**Infectious Diseases Control Initiative** – This funding is provided for the sole purpose of monitoring and controlling infectious diseases and enhancing the Board of Health’s ability to handle and coordinate increased activities related to outbreak management.<sup>1</sup>

**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.<sup>1</sup>

**Electronic Cigarettes Act** – This funding was provided to prepare for the implementation and enforcement of the *Electronic Cigarettes Act (ECA)* which was effective January 1, 2016.

**Enhanced Safe Water** – The purpose of this initiative is to increase the Board of Health’s capacity to meet the requirements of the Safe Water Program Standard under the OPHS.<sup>1</sup>

**Chief Nursing Officer** – Funding is provided for the Chief Nursing Officer position at WDGPH. The purpose of the Chief Nursing Officer position in each Board of Health 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.<sup>1</sup>

**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.<sup>1</sup>

**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 Board of Health to address the needs of priority populations impacted most negatively by the social determinants of health in the Board of Health area.<sup>1</sup>

**MOH Compensation Initiative** – Funding is provided by the Province to subsidize the salary/benefits/stipends for the 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>

#### MCYS Funded Programs

**Healthy Babies Healthy Children** – The MCYS 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>

**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.

County of Wellington Wee Talk - This funding is provided by the County of Wellington to integrate with the speech pathology services available in Wellington County funded by the MCYS under the Preschool Speech and Language program.

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.<sup>3</sup>

Other Community Grants - Various other community grants are provided by the municipalities served by WDGPH and other community partners, including: Family and Children’s Services Guelph-Wellington, United Way Wellington-Dufferin-Guelph, Dufferin Coalition for Kids, Women’s College Hospital, Dufferin Child and Family Services, KidsAbility, and Canadian Mental Health Association Waterloo Wellington. The work undertaken with this funding aligns with the mandate of WDGPH under the HPPA, OPHS and Organizational Standards. This funding provides additional resources to WDPGH to augment the work of the Agency.

## **Appendix “C” – One-time Grants**

Appendix “C” presents the one-time grants approved as part of the 2016 Provincial Funding Approval which were deferred to the first quarter of 2017 in accordance with the funding approval provided by the MOHLTC, as well as the approved 2017 one-time grants. The 2017 one-time grants were approved for use between April 1, 2017 and March 31, 2018, and therefore, any unspent portion of the 2017 one-time grants as at December 31, 2017 has been deferred for use between January 1 and March 31, 2018.

### **APPENDICES:**

*Appendix “A”* – Statement of Revenue & Expenditures for the year ended December 31, 2017 – Cost-Shared Mandatory Programs

*Appendix “B”* – Q4 Financial Report 2017: All Other Programs

*Appendix “C”* – Q4 Financial Report 2017: 100% MOHLTC 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 and Youth 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 "A"

Statement of Revenue and Expenditures  
Total Cost-Shared Mandatory Programs  
For the Year Ended December 31, 2017

	Annual Budget	Actual	Annual	Variance
	2017	2017	Variance*	% of Total Annual Budget
	\$	\$	\$	%
<b>Municipal and provincial funding</b>				
MOHLTC - Base funding	11,986,100	11,986,100	0	0.0%
City of Guelph	3,723,655	3,723,655	0	0.0%
County of Wellington	2,652,798	2,652,797	(1)	0.0%
County of Dufferin	1,736,088	1,736,088	0	0.0%
	20,098,641	20,098,640	(1)	0.0%
<b>Other revenue</b>				
Interest	20,000	25,774	5,774	0.0%
<b>Total revenue</b>	<b>20,118,641</b>	<b>20,124,414</b>	<b>5,773</b>	<b>0</b>
<b>Expenses</b>				
Employee salaries, wages and benefits	14,507,345	14,293,517	213,828	1.1%
Staff training	182,353	150,806	31,547	0.2%
Board/volunteer training and recognition	47,450	25,961	21,489	0.1%
Travel	298,207	217,698	80,509	0.4%
Building occupancy	2,438,254	2,492,444	(54,190)	-0.3%
Office expenses, printing, postage	192,540	159,750	32,790	0.2%
Professional and purchased services	911,413	772,993	138,420	0.7%
Program materials and supplies	807,847	675,650	132,197	0.7%
Office equipment	30,379	47,660	(17,281)	-0.1%
Information and IT equipment	683,718	688,315	(4,597)	0.0%
Communication costs	156,700	166,453	(9,753)	0.0%
Transfers to Reserve Funds	377,147	377,147	0	0.0%
<b>Total net operating costs</b>	<b>20,633,353</b>	<b>20,068,394</b>	<b>564,959</b>	<b>2.8%</b>
Expenditure recoveries	(514,712)	(481,069)	(33,643)	-0.2%
<b>Total net expenditures after expenditure recoveries</b>	<b>20,118,641</b>	<b>19,587,325</b>	<b>531,316</b>	<b>2.6%</b>
<b>Excess of revenue over expenditures</b>	<b>0</b>	<b>537,089</b>	<b>537,089</b>	

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



Program/Initiative Name	Provincial/ Municipal Split	Fiscal Year-end	Provincial Funding Approved	Municipal Funding Approved	"Other" Funding Approved	Total Program/ Initiative Budget	Revenue	Expenditures	Excess (Deficiency) of Funding over Expenditures	Funding Deferred for Use in 2018	Funding Returned to MOHLTC
Vector-Borne Diseases (2)	Cost-Shared	December 31st	150,700	56,632		207,332	199,140	190,011	9,129		8,192
Small Drinking Water Systems (2)	Cost-Shared	December 31st	40,600	14,456		55,056	55,056	55,056	0		0
Needle Exchange (3)	100% Provincial	December 31st	58,250			58,250	58,250	58,250	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	407,397	407,397	0		2,103
Electronic Cigarettes Act (3)	100% Provincial	December 31st	19,200			19,200	6,515	6,515	0		12,685
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	91,500			91,500	83,905	83,905	0		0
Healthy Babies Healthy Children (4)	100% Provincial	December 31st	1,567,992			1,567,992	1,567,992	1,567,992	0		0
Preschool Speech and Language (5)	100% Provincial	March 31st	879,287		60,472	939,759	699,333	754,352	(55,019)		0
County of Wellington Weetalk (6)	100% Municipal	December 31st		367,921		367,921	359,906	359,906	0	8,015	0
Canadian Prenatal Nutrition Program (7)	100% PHAC	March 31st			63,410	63,410	33,115	48,956	(15,841)		0
External Projects* (8, 9, 10, 11, 12)	Various funders**	December 31st		187,802	188,478	376,280	336,907	336,907	0	39,273	0

<b>Name of Grant</b>	<b>Budget Year of Request</b>	<b>Fiscal Period for Eligible Expenditures</b>	<b>Approved 2016 Provincial One-Time Funding deferred for use up to March 31, 2017</b>	<b>Approved 2017 Provincial One-Time Funding</b>	<b>Total Expenditures Q1 &amp; Q2 2017</b>	<b>Balance Remaining (Overspent)</b>
HSO Clinical Dental Equipment	2016	April 1, 2016 to March 31, 2017	34,300		34,283	17
Dental Practice Management Software	2016	April 1, 2016 to March 31, 2017	25,000		17,360	7,640
Panorama	2016	April 1, 2016 to March 31, 2017	93,178		93,178	-
Panorama	2017	April 1, 2017 to March 31, 2018		97,200		97,200
Purpose Built Vaccine Refrigerator	2017	April 1, 2017 to March 31, 2018		12,000	9,833	2,167
Guelph Clinic Dental Equipment	2017	April 1, 2017 to March 31, 2018		20,000	-	20,000
HSO Project Manager	2017	April 1, 2017 to March 31, 2018		75,000	-	75,000
Public Health Inspector Practicum Program	2017	April 1, 2017 to March 31, 2018		10,000	10,000	-
Reprocessing Room in a Box	2017	April 1, 2017 to March 31, 2018		14,300	6,938	7,362
Data Breach Minimization	2017	April 1, 2017 to March 31, 2018		15,000	15,000	-
High Availability and Business Continuity Upgrade	2017	April 1, 2017 to March 31, 2018		15,000	15,000	-
Needle Exchange Program Initiative	2017	April 1, 2017 to March 31, 2018		38,402	-	38,402
<b>Total</b>			<b>152,478</b>	<b>296,902</b>	<b>201,592</b>	<b>247,788</b>