

Report to: Finance + Facilities Committee, Board of Health
Submitted by: Dr. Nicola Mercer, Medical Officer of Health and CEO
Subject: 2018 SECOND QUARTER FINANCIALS

RECOMMENDATION(S)

- (a) That the Finance + Facilities Committee makes recommendation to the Board of Health to receive the 2018 Second Quarter Financials, as presented, for information.

BACKGROUND

Wellington-Dufferin-Guelph Public Health’s (WDGPH) annual budget consists of several sub-budgets based on the way funding is provided. 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
-----	---------------------	-----------	----------

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 st
2	Cost-shared Related Programs	MOHLTC; City of Guelph; County of Wellington; County of Dufferin	December 31 st

100% Funded Sub-budgets

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

External Projects

8	Poverty Elimination Task Force (PETF)	City of Guelph, County of Wellington, United Way Wellington-Dufferin-Guelph	December 31 st
9	Children's Report Card	County of Wellington	December 31 st
10	Evidence Informed Planning Project	Dufferin Coalition for Kids	March 31 st , 2019
11	Preventing Cannabis Harms Through A Youth Driven Campaign	Gambling Research Exchange Ontario	March 28 th , 2019
12	Mental Health and Addictive Disorders Prevention Program for Grade 7 Students	Gambling Research Exchange Ontario	March 29 th , 2019
13	Energize Guelph	City of Guelph	December 31 st , 2018

One-Time Grants

14	One-Time Grants	MOHLTC	March 31 st
----	-----------------	--------	------------------------

The 2018 budget which was approved by the Board of Health on February 7, 2018 included sub-budgets (1), (2), and (3) above. These sub-budgets, along with the One-Time Grant requests (14) were submitted to the MOHLTC via the Annual Service Plan and Budget Submission on March 5, 2018.

The provincial funding approval from the MOHLTC was received on May 7, 2018. Details of approved funding can be found in the Finance + Facilities Committee Report – BH.04.JUN1418.R11 – 2018 MOHLTC 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 Accountability Framework, according to local needs and priorities.

2018 Budget Changes:

In May 2018 WDGPH received additional base funding from the Ministry of Health and Long-Term Care. The budget implications are as follows:

Budget Category	2018 BOH Approved Budget	2018 Revised Based on Prov. Funding Approval	Change	Explanation
Revenue	\$20,280,600	\$20,640,200	\$359,600	\$359,600 provincial funding increase
Staffing expenses	15,138,877	15,481,476	342,599	AMOH position added and \$97,000 temporarily invested in staffing in 2018
Operating expenses	5,141,723	5,158,724	17,001	AMOH operating costs (training, travel, etc.)
<i>Total expenses</i>	<i>\$20,280,600</i>	<i>\$20,640,200</i>	<i>\$359,600</i>	
Budgeted surplus (deficit)	\$0	\$0	\$0	

During the year, internal transfers are made between budget lines as part of the process of managing variances. As of June 30, 2018, budget transfer adjustments had been made as follows:

Budget Category	2018 Revised Based on Prov. Funding Approval	In Year Transfers	Annual Budget-Q2 (Appendix "A")	Explanation
Revenue	\$20,640,200	\$22,333	\$20,662,533	Added transfer from Fluoride Varnish Reserve for service to additional high risk schools as per BOH
Staffing expenses	15,481,476	(388,333)	15,093,143	- Reallocation of salary & benefits for Director, Admin Services from salary to operating (consulting).
Operating expenses	5,158,724	410,666	5,569,390	- Addition of staff time for expanded fluoride varnish program. - In-year reallocation of funds to manage gapping variance.
<i>Total expenses</i>	<i>\$20,640,200</i>	<i>\$22,333</i>	<i>\$20,662,533</i>	
Budgeted surplus (deficit)	\$0	\$0	\$0	

Q2 Variances:

Appendix “A” represents the statement of revenue and expenditures for the six months ended June 30, 2018, for the Cost-Shared Mandatory programs. Budget to actual variances of greater than \$100,000 are explained below:

As of Q2 Salary and benefits expenses were \$623,076 less than budgeted due to vacant positions and leaves of absence (medical and parental leaves). A significant contributor to this variance is the AMOH role, which was added with the increased provincial funding received in the 2018 MOHLTC funding approval and which was vacant until September 6, 2018 (gapping to June 30th is \$98,626). Over and above the AMOH position, an additional \$97,000 in increased provincial funds was received and is also contributing to the salary variance. Salary and benefits variances (funds from leaves and vacant positions) are commonly referred to as “gapping dollars.” There is an internal process in place for ensuring effective utilization of these variances within the organization, to ensure that WDG is able to maintain effective service levels.

Professional and purchased services expenses were \$115,945 less than budgeted for period. Major contributors to this variance are lower than budgeted legal fees, clinic physician costs, and program advertising.

Information and IT equipment expenses were \$240,758 less than budgeted for the period, mainly due to funds budgeted in Q1 and Q2 for the IT equipment replacement cycle and IT projects which are underway, but which expenditures will not be incurred for until the third or fourth quarter. These projects include the procurement of Enterprise Resource Planning software, security for mobile device management, and Microsoft Office 365 licensing.

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

Appendix “B” 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).

Funds received for all programs/initiatives are expected to be fully spent in 2018 with the exception of the Needle Exchange Program. Due to the unexpected receipt of a significant amount of one-time funding (\$38K) in the first quarter of 2018 for the Needle Exchange Program, it is unknown if the full allocation (\$61,000, an increase of \$11,000 over the previous annual funding of \$50,000) will be required. The program area is in the process of projecting funding needs for the year, and a transfer of any excess funds identified will be requested to another program area to ensure the best value for money.

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.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 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.¹

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.¹

Enhanced Food Safety – This initiative was established to augment the Board of Health’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 Board of Health’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)*.

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.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 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.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 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.¹

MOH/AMOH 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.¹

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.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.

County of Wellington Inclusion Support Services - This funding is provided by the County of Wellington for a program called Inclusion Support Services (ISS). ISS 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 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 “C” – One-time Grants

Appendix “C” presents the one-time grants approved as part of the 2017 Provincial Funding Approval which were deferred to the first quarter of 2018 in accordance with the funding approval provided by the MOHLTC, as well as the approved 2018 one-time grants. The 2018 one-time grants were approved for use between April 1, 2018 and March 31, 2019.

APPENDICES:

Appendix “A” – Statement of Revenue & Expenditures for the six months ended June 30, 2018
– Cost-Shared Mandatory Programs

Appendix “B” – Q2 Financial Report 2018: All Other Programs

Appendix “C” – Q2 Financial Report 2018: 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.

Prepared by:
Shanna O’Dwyer
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 "A"

Statement of Revenue and Expenditures
Total Cost-Shared Mandatory Programs
For the Six-Months Ended June 30, 2018

	Annual Budget	YTD Budget	YTD Actual	YTD Variance	YTD Variance % of Annual Budget
	2018	2018	2018	Variance*	
	\$	\$	\$	\$	%
Municipal and provincial funding					
MOHLTC - Base funding	12,345,700	6,172,850	6,172,850	0	0.0%
City of Guelph	3,835,365	1,917,682	1,917,682	0	0.0%
County of Wellington	2,647,492	1,323,746	1,323,746	0	0.0%
County of Dufferin	1,791,643	895,821	895,821	0	0.0%
<i>Total municipal and provincial funding</i>	20,620,200	10,310,099	10,310,099	0	0.0%
Other revenue					
Interest	20,000	10,000	15,784	5,784	57.8%
Transfers from reserves	22,333	11,167	0	(11,167)	-100.0%
<i>Total other revenue</i>	42,333	21,167	15,784	(5,383)	-42.2%
Total revenue	20,662,533	10,331,266	10,325,883	(5,383)	-0.1%
Expenses					
Employee salaries, wages and benefits	15,093,143	7,669,242	7,046,166	623,076	8.1%
Staff training	175,418	83,283	41,484	41,799	50.2%
Board/volunteer training and recognition	38,500	21,750	13,869	7,881	36.2%
Travel	276,736	137,969	101,647	36,322	26.3%
Building occupancy	2,513,811	1,264,444	1,228,040	36,404	2.9%
Office expenses, printing, postage	170,124	93,290	64,759	28,531	30.6%
Professional and purchased services	983,862	568,021	452,076	115,945	20.4%
Program materials and supplies	490,812	245,094	148,036	97,058	39.6%
Office equipment	5,870	3,002	4,497	(1,495)	-49.8%
Information and IT equipment	794,433	554,008	313,250	240,758	43.5%
Telecommunications	169,325	86,935	79,514	7,421	8.5%
Transfers to Reserve Funds	380,918	380,918	380,918	0	0.0%
<i>Total net operating costs</i>	21,092,952	11,107,956	9,874,256	1,233,700	11.1%
<i>Expenditure recoveries</i>	(430,419)	(210,210)	(210,362)	152	-0.1%
<i>Total net expenditures after expenditure recoveries</i>	20,662,533	10,897,746	9,663,894	1,233,852	11.3%
Excess of revenue over expenditures	0	(566,480)	661,989	1,228,469	

* 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	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	57,762	0	208,462	104,230	65,573	38,657	0
Small Drinking Water Systems (2)	Cost-Shared	December 31st	40,600	14,745	0	55,345	27,674	28,029	(355)	0
Needle Exchange (3)	100% Provincial	December 31st	61,000	0	0	61,000	30,496	12,423	18,073	Note 1
Enhanced Food Safety (3)	100% Provincial	December 31st	40,300	0	0	40,300	20,149	20,958	(809)	0
Healthy Smiles Ontario (3)	100% Provincial	December 31st	817,400	0	0	817,400	408,698	360,243	48,455	0
Infection Control (3)	100% Provincial	December 31st	333,400	0	0	333,400	166,702	168,722	(2,020)	0
Smoke Free Ontario (3)	100% Provincial	December 31st	409,500	0	0	409,500	204,747	203,181	1,566	0
Electronic Cigarettes Act (3)	100% Provincial	December 31st	19,200	0	0	19,200	9,600	5,139	4,461	0
Harm Reduction Program Enhancement (3)	100% Provincial	December 31st	150,000	0	0	150,000	75,000	64,312	10,688	0
Enhanced Safe Water (3)	100% Provincial	December 31st	21,600	0	0	21,600	10,800	13,881	(3,081)	0
Chief Nursing Officer (3)	100% Provincial	December 31st	121,500	0	0	121,500	60,753	61,979	(1,226)	0
Infection Prevention and Control Nurse (3)	100% Provincial	December 31st	90,100	0	0	90,100	45,049	45,630	(581)	0
Social Determinants of Health Nurses (3)	100% Provincial	December 31st	180,500	0	0	180,500	90,251	91,413	(1,162)	0
MOH Compensation (3)	100% Provincial	December 31st	83,710	0	0	83,710	41,664	42,192	(528)	0
Healthy Babies Healthy Children (4)	100% Provincial	December 31st	1,567,992	0	0	1,567,992	784,325	757,945	26,380	0
Preschool Speech and Language (5)	100% Provincial	March 31st	1,013,216	0	60,376	1,073,592	313,861	272,341	41,520	0
County of Wellington Inclusion Support Services (6)	100% Municipal	December 31st	0	375,936	0	375,936	191,976	183,909	8,067	0
Canadian Prenatal Nutrition Program (7)	100% PHAC	March 31st	0	0	63,410	63,410	15,853	13,497	2,356	0
External Projects* (8, 9, 10, 11, 12, 13)	Various funders	December 31st	0	191,892	154,639	346,531	293,543	127,660	165,883	0

Note 1

WDGPH does need the annual provincial allocation of \$61,000 on an ongoing annual basis but it will probably not all be required in 2018 due to the one-time grant received in the amount of \$38,402 in the first quarter of 2018 for this program. The program area are working with their partners to determine how much will not be required in 2018 and will request a transfer of these funds to be used in another program or notify the Ministry that they will be returned for 2018.

Name of Grant	Budget Year of Grant Approval	Fiscal Period for Eligible Expenditures	Approved 2017 Provincial One-Time Funding deferred for use up to March 31, 2018	Approved 2018 Provincial One-Time Funding	Total Expenditures Q1 2018	Total Expenditures Q2 2018	Balance Re-payable to MOHLTC	Balance Remaining (Overspent)
Panorama	2017	April 1, 2017 to March 31, 2018	97,200		92,269		4,931	0
Purpose Built Vaccine Refrigerator	2017	April 1, 2017 to March 31, 2018	2,167		0		2,167	0
Guelph Clinic Dental Equipment	2017	April 1, 2017 to March 31, 2018	20,000		20,000		0	0
HSO Project Manager	2017	April 1, 2017 to March 31, 2018	75,000		50,266		24,734	0
Reprocessing Room in a Box	2017	April 1, 2017 to March 31, 2018	7,362		6,681		681	0
Needle Exchange Program Initiative	2017	April 1, 2017 to March 31, 2018	38,402		38,402		0	0
Enterprise Resource Planning Software Procurement	2018	April 1, 2018 to March 31, 2019		50,000		15,522	0	34,478
Adverse Childhood Experiences Survey	2018	April 1, 2018 to March 31, 2019		10,000		0	0	10,000
Preconception Health Risk Assessment	2018	April 1, 2018 to March 31, 2019		30,000		1,605	0	28,395
Vision Screening	2018	April 1, 2018 to March 31, 2019		97,000		0	0	97,000
Flu Response	2018	April 1, 2018 to March 31, 2019		75,000		65,249	0	9,751
Public Health Inspector Practicum Program	2018	April 1, 2018 to March 31, 2019		10,000		3,205	0	6,795
Total			240,131	272,000	207,618	85,581	32,513	186,419