



**Finance + Facilities Committee Report BH.04.SEP0419.R06
September 4, 2019**

Report to: Finance + Facilities Committee, Board of Health
Submitted by: Dr. Nicola Mercer, Medical Officer of Health and CEO
Subject: 2019 SECOND QUARTER FINANCIALS

RECOMMENDATION(S)

- (a) That the Finance + Facilities Committee makes recommendation to the Board of Health to receive the 2019 Second 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.

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 60-40 split basis between the Ministry of Health and Long-Term Care (MOHLTC) 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. As previously discussed with the BOH, WDGPH is taking steps to reduce its liabilities in advance of the amalgamation set to occur in April 2020.

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

100% Funded Sub-budgets

3	100% MOHLTC Funded Programs	MOHLTC	December 31
4	Healthy Babies Healthy Children	Ministry of Children and Youth Services (MCYS)	December 31
5	Preschool Speech and Language	MCYS	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	MOHLTC	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 MOHLTC via the Annual Service Plan and Budget Submission on March 6, 2019.

The provincial funding approval from the MOHLTC has not yet been received.

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 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.

Current Net Position:

Appendix “1” represents the statement of revenue and expenditures for the six months ended June 30, 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 \$215,845 representing 2.0% of the budgeted spending for the first six months.

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

Salary and benefits expenses were \$318,933 less than budgeted due to vacant positions and leaves of absence (medical and parental leaves). Funds from leaves and vacant positions are commonly referred to as “gapping dollars.” As previously identified, there is a planned conservative approach to staffing in 2019 to manage the significant uncertainty around Public Health amalgamations that is anticipated to impact gapping dollars within the 2019 budget year. Despite this, there is an internal process for managing variances within the organization and a year-end surplus is not projected in salaries and benefits.

Professional and purchased services expenses were \$139,165 less than budgeted for period. Major contributors to this variance are lower than budgeted legal fees, clinic physician costs, and program advertising.

Building Occupancy expenses were \$203,565 over budget for the period, mainly due to the expensing of Orangeville office renovations of approximately \$275,000 to date. 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 \$172,349 over budget for the period, mainly due to the expenditure of approximately \$250,000 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.

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).

Funds received for all programs/initiatives are expected to be fully spent in 2019.

A description of each of the programs on *Appendix “2”* 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 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

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 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 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

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.

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 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 2018 Provincial Funding Approval which were deferred to the first quarter of 2019 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. Funds remaining from the one-time grant for the ERP software will be used to offset expenditures on this system in 2019.

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.

APPENDICES:

Appendix “1” – Statement of Revenue & Expenditures for the six months ended June 30, 2019 – Cost-Shared Mandatory Programs

Appendix “2” – Q2 Financial Report 2019: All Other Programs

Appendix “3” – Q2 Financial Report 2019: 100% MOHLTC Funded One-Time Grants

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Wellington-Dufferin-Guelph Public Health

APPENDIX "1"

Statement of Revenue and Expenditures
Total Cost-Shared Mandatory Programs
For the Quarter ended June 30, 2019

	Annual Budget 2019	YTD Budget 2019	YTD Actual 2019	YTD Variance Variance*	YTD Variance %
	\$	\$	\$	\$	%
Municipal and provincial funding					
MOHLTC - Base funding	12,345,700	6,172,850	6,172,849	(1)	0.0%
City of Guelph	3,912,072	1,956,036	1,956,036	0	0.0%
County of Wellington	2,700,442	1,350,221	1,350,221	0	0.0%
County of Dufferin	1,827,476	913,738	913,738	0	0.0%
	20,785,690	10,392,845	10,392,844	(1)	0.0%
Other revenue					
Interest	27,000	13,500	20,186	6,686	49.5%
Transfers from reserve	22,333	11,166	0	(11,166)	-100.0%
	49,333	24,666	20,186	(4,480)	-18.2%
Total revenue	20,835,023	10,417,511	10,413,030	(4,481)	0.0%
Expenses					
Employee salaries, wages and benefits	15,709,589	7,887,466	7,568,533	318,933	4.0%
Staff training	225,657	100,269	61,386	38,883	38.8%
Board/volunteer training and recognition	38,500	21,480	8,236	13,244	61.7%
Travel	254,146	127,833	96,904	30,929	24.2%
Building occupancy	2,257,894	1,148,691	1,352,256	(203,565)	-17.7%
Office expenses, printing, postage	175,323	88,068	58,903	29,165	33.1%
Professional and purchased services	775,791	440,949	301,784	139,165	31.6%
Program materials and supplies	496,000	238,453	292,475	(54,022)	-22.7%
Office equipment	10,795	4,577	14,857	(10,280)	-224.6%
Information and IT equipment	726,633	551,072	723,421	(172,349)	-31.3%
Communication costs	143,680	72,017	92,203	(20,186)	-28.0%
Transfers to Reserve Funds	384,727	384,727	384,727	0	0.0%
Total net operating costs	21,198,735	11,065,602	10,955,685	109,917	1.0%
Expenditure recoveries	(363,712)	(151,687)	(262,096)	110,409	-72.8%
Total net expenditures after expenditure recoveries	20,835,023	10,913,915	10,693,589	220,326	2.0%
Excess of revenue over expenditures	0	(496,404)	(280,559)	215,845	

* 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 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	104,808	50,571	54,237	0
Small Drinking Water Systems (2)	Cost-Shared	December 31st	40,600	15,040		55,640	27,822	28,018	(196)	0
Needle Exchange (3)	100% Provincial	December 31st	61,000			61,000	30,502	34,839	(4,337)	0
Enhanced Food Safety (3)	100% Provincial	December 31st	40,300			40,300	20,149	20,844	(695)	0
Healthy Smiles Ontario (3)	100% Provincial	December 31st	817,400			817,400	408,698	364,340	44,358	0
Infection Control (3)	100% Provincial	December 31st	333,400			333,400	166,702	167,138	(436)	0
Smoke Free Ontario (3)	100% Provincial	December 31st	409,500			409,500	204,747	200,044	4,703	0
Electronic Cigarettes Act (3)	100% Provincial	December 31st	19,200			19,200	9,600	3,226	6,374	0
Harm Reduction Program Enhancement (3)	100% Provincial	December 31st	150,000			150,000	75,000	75,133	(133)	0
Enhanced Safe Water (3)	100% Provincial	December 31st	21,600			21,600	10,800	8,396	2,404	0
Chief Nursing Officer (3)	100% Provincial	December 31st	121,500			121,500	60,753	61,475	(722)	0
Infection Prevention and Control Nurse (3)	100% Provincial	December 31st	90,100			90,100	45,049	45,371	(322)	0
Social Determinants of Health Nurses (3)	100% Provincial	December 31st	180,500			180,500	90,251	90,892	(641)	0
MOH Compensation (3)	100% Provincial	December 31st	83,710			83,710	42,042	41,789	253	0
Healthy Babies Healthy Children (4)	100% Provincial	December 31st	1,567,992			1,567,992	784,479	760,815	23,664	0
Preschool Speech and Language (5)	100% Provincial	March 31st	1,013,216		61,283	1,074,499	315,274	264,110	51,164	0
County of Wellington Weetalk (6)	100% Municipal	December 31st		367,921		367,921	183,961	180,710	3,251	0
Canadian Prenatal Nutrition Program (7)	100% PHAC	March 31st			63,410	63,410	0	11,587	(11,587)	0
External Projects* (8, 9, 10, 11, 12,13,14)	Various funders*	December 31st		168,100	322,724	490,824	279,302	118,802	160,500	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	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	
Total			101,739	101,333	406