



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2015 February 12

2014 FOURTH QUARTER BUDGET VARIANCE REPORT

Recommendation

It is recommended that the Finance & Facilities Committee review and recommend to the Board of Health to receive Report No 06-15FFC “2014 Fourth Quarter Budget Variance Report” for information.

Key Points

- The unaudited operating surplus for Health Unit programs is approximately \$47,085. The Health Unit auditors, KPMG will be performing its annual audit beginning March 30th, 2015.
- The Dental Treatment Clinic is anticipating to have a shortfall in the range of \$37,000.
- The Healthy Smiles Ontario program is also expected to breakeven after considering a one-time grant request for \$75,000.

Fourth Quarter Review (2014)

This report provides a summary of the Health Unit’s 2014 operating results and projections of expenditures to the end of the year.

The attached Budget Variance Summary ([Appendix A](#)) shows actual and budgeted expenditures and offset revenues for the twelve months ending December 31st, 2014. For programs with a March 31st year-end, this report shows the actual and budgeted expenditures and offset revenues for the nine month period April 1st to December 31st, 2014. The Budget Variance Summary provides management’s forecasted year-end balances and a brief explanation or comment.

Variance Highlights

Overall the Health Unit may generate a very modest surplus of approximately \$47,085 (0.1%). This high utilization of resources can, in part, be attributed to the enhanced budget development and monitoring processes that was undertaking in 2013. Integrating the planning and budgeting processes has allowed the Health Unit to better serve our clients and community.

The following areas contributed to the majority of the planned gapping of \$815,163:

- 1) \$220,167 - Salary / Wages / Benefits – across all programs.
- 2) \$151,749 - Vaccine revenue (net of cost of vaccines)
- 3) \$100,000 - Space Needs Assessment deferral
- 4) \$ 81,370 - One-time savings from Needle Exchange
- 5) \$ 88,000 - Fewer CINOT claims (Children In Need of Treatment dental claims) as a result of higher utilization of the Healthy Smiles program.
- 6) \$ 50,000 - Fewer contraceptives purchased
- 7) \$124,000 - Other savings in program supplies, professional development, travel, etc.

Dental Treatment Deficit

In 2014, the Dental Treatment Clinic will complete the year with an estimated deficit of \$37,000 resulting from lower than required fees from CINOT and Ontario Works claims. Included in this analysis is an assumption the Board of Health will approve a contribution from the Dental Treatment Reserve to offset the estimated deficit. This would leave a balance in the Reserve Fund of approximately \$117,000

Healthy Smiles Ontario Program

If the one-time request to the Ministry of Health & Long-Term Care for additional funding of \$75,000 is approved as the Ministry predicts ([Report No. 045-14FFC](#)), the Healthy Smiles Ontario program would achieve a breakeven position. As of the writing of this report, the Health Unit has not received confirmation of this grant request. Should the Health Unit not receive approval for this one-time grant, this program will finish the year in a deficit position.

This report was prepared by Mr. John Millson, Director of Finance & Operations.



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