



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2015 November 5

THIRD QUARTER FINANCIAL UPDATE

Recommendation

It is recommended that the Finance & Facilities Committee receive Report No. 26-15FFC re Third Quarter Financial Update for information.

Key Points

- The 2015 operating budget was revised by the Board of Health as a result of receiving additional Ministry of Health and Long-Term Care (MOHLTC) funding for Mandatory Programs.
- Overall the Health Unit is expected to realize a modest operating surplus of approximately \$68,000

Background

The 2015 operating budget was revised by the Board of Health as a result of receiving additional Ministry of Health and Long-Term Care (MOHLTC) funding for Mandatory Programs. On October 15th the Board of Health received [Report No. 024-15FFC](#) which provided details of the various budget adjustments.

Financial Review to September 30th

The 2015 Budget Variance Summary is attached as [Appendix A](#). The summary provides actual and budgeted expenditures for the first nine months and provides management's best estimates to the end of the operating year.

The Senior Leadership Team met to review financial results and to discuss year end projections. Overall the Health Unit is expected to meet its financial plans by year end and realize a modest surplus of approximately \$68,000 due to the unexpected increase in Mandatory Programs grant from the MOHLTC.

Included in the year-end estimates are the following noteworthy items since the last financial update:

- Receipt of a \$147,000 funding request being made to the MOHLTC for 100% costs of dental claims under the Children In Need of Treatment (CINOT) program for the period of August 1st to December 31st
- \$25,000 for additional Nicotine Replacement Therapy to meet growing demands in the smoking cessation program delivery.
- \$76,000 in additional IT related software and hardware requirements to reduce expected drawdowns in the Technology & Infrastructure Reserve Fund.
- \$30,000 to fund the expected Dental Treatment operating deficit in 2015.

Conclusion

Health Unit staff performed a financial analysis to the end of September and have provided estimates to the end of the year. Based on this analysis it is expected that the Health Unit will complete the year with a modest operating surplus.

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

A handwritten signature in black ink, appearing to read 'C. Mackie', is positioned above the printed name.

Christopher Mackie, MD, MHSc, CCFP, FRCPC
Medical Officer of Health