

TO: Chair and Members of the Board of Health

FROM: Bryna Warshawsky, Acting Medical Officer of Health

DATE: 2013 March 21

2012 BUDGET – FOURTH QUARTER REVIEW

Recommendation

It is recommended that Report No. 038-13 re “2012 Budget – Fourth Quarter Review” be received for information.

Key points

- The unaudited operating surplus for cost-shared programs is approximately \$289,100. The Health Unit auditors, KPMG will be performing its annual audit beginning March 18th, 2013.
- 100% funded programs will generate operating surpluses of approximately \$278,750 which must be returned to the ministries that provided the funding.

Fourth Quarter Review (2012)

The attached Budget Summary ([Appendix A](#)) shows actual and budgeted net expenditures for the twelve - month period January 1st to December 31st, 2012. For the programs with a March 31st year-end, this report shows the actual and budgeted net expenditures for the nine-month period April 1st to December 31st, 2012.

Cost-Shared Programs

The net budget for cost-shared programs for 2012 was Board approved at \$23,092,916. Considering the shortfall in provincial grants, the net budget was reduced by \$181,230 to a net budget of \$22,911,686. Board [Report No. 100-12](#) provides further information on this reduction.

For 2012, the programs that are cost-shared between the province and municipalities finished the operating year with a favourable variance of \$289,100. [Appendix B](#) provides details of the major contributors to this variance. The Board will recall that at the January 17, 2013 Board of Health meeting, the Board approved the recommendations of [Report No. 002-13](#). Namely, the Board approved up to \$135,000 of the 2012 operating surplus be earmarked to fund the Shared Services Review.

Other 100% Funded Programs

Programs in the 100% funded category are funded 100% by either the province or, in the case of the Dental Treatment program, by user fees. This group of programs ended the operating year with an estimated favourable variance of \$ 278,705. This variance resulted from three program areas: the Smoke Free Ontario program; the Healthy Babies Healthy Children program; and the Healthy Smiles Ontario program. Appendix B provides details of these variances. Any operating surplus from the 100% funded program must be returned to the ministries that provided the funding.

March 31st Year-End Programs

For the programs with a March 31st year-end (ie. speech and language-related programs), there currently is a favourable variance of \$201,203. At this time, it is not expected that these programs will generate significant favourable variances by March 31st, 2013.

Summary

The Health Unit has generated a 2012 operating surplus of approximately \$289,100 from the Cost-Shared Programs. These programs are cost-shared between the Province, the City of London, and Middlesex County. Up to \$135,000 of this surplus will be retained to cover any costs relating to the Shared Services Review. In addition, three 100% programs generated an operating surplus of \$278,705 which will be returned to their respective ministries. The March 31st year-end programs should end the fiscal year in a break-even position.

Mr. John Millson, Director, Finance and Operations, will be in attendance at the March 21st Board of Health meeting to address any questions regarding this report.



Bryna Warshawsky, MDCM, CCFP, FRCPC
Acting Medical Officer of Health

This report addresses - Policy No. 4-20 Expenditure Reports as outlined in the MLHU Administration Policy Manual.
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