



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2013 November 7

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## 2013 BUDGET VARIANCE REPORT TO SEPTEMBER 30<sup>TH</sup>

### **Recommendation**

*It is recommended that the Finance & Facilities Committee review and recommend to the Board of Health to receive Report No 014-13C “2013 Budget Variance Report to September 30<sup>th</sup>” for information.*

### **Key Points**

- The Cost-Shared programs are anticipated to generate a 2013 operating surplus of \$ 580,819.
- An additional amount of \$101,250 from 2012 operations is available resulting from the Province approving 75% funding for the Shared Services Review project.
- The Dental Treatment Clinic is anticipating to have a shortfall in the range of \$30,000
- The Healthy Babies Healthy Children program is anticipated to generate a modest surplus of \$26,251 resulting from position vacancies.

### **Third Quarter Review**

The purpose of this report is to provide the Finance & Facilities Committee with a summary review of the Health Unit’s operating results and to provide projections of expenditures to the end of the year.

The attached Budget Variance Summary ([Appendix A](#)) shows actual and budgeted expenditures net of offset revenues for the nine months ending September 31<sup>st</sup>, 2013. For programs with a March 31<sup>st</sup> year-end, this report shows the actual and budgeted expenditures net of offset revenues for the six month period April 1<sup>st</sup> to September 31<sup>st</sup>, 2013. The Budget Variance Summary also provides management’s forecasted year-end balances. These projections are a better indicator of how the programs expect to complete the year from a financial perspective as most program annual budgets are divided equally over 12 months. Finally the Budget Variance Summary includes, where appropriate, a brief explanation or comment in regards to the year end projection.

### **Cost-Shared Programs**

The net budget for cost-shared programs for 2013 was Board approved at \$23,213,670. As can be seen from reviewing the Budget Variance Summary (Appendix A), the cost-shared programs are projected to complete the operating year with a surplus of \$580,819. The forecast has increased from the second quarter by \$139,513 primarily as a result of reassigning staff to the Panorama project. In addition to this, staffing vacancies, increase revenue from vaccines, continued 100% provincial funding for the needle exchange program, and lower than anticipated use of legal services have contributed to the expected surplus.

As reported in the second quarter variance report, an amount of \$101,250 will be returned to surplus as a result of the Province providing a one-time grant of 75% of the Shared Services Review costs. Originally the Board of Health approved this funding to come from any 2012 operating surpluses. Therefore, the total amount available from Cost-Shared programs would be \$682,069.

### **Other 100% Funded Programs/Initiatives**

For the December 31<sup>st</sup> programs that are 100% funded it is expected that they will end the operating year in a breakeven position except for the Healthy Babies Healthy Children (HBHC) program, and the Dental Treatment Clinic. The HBHC program is forecasted to generate a modest surplus of approximately \$26,251 due to position vacancies being experienced in the program. The Dental Treatment Clinic, as explained in Report No. 007-13C, is currently projecting a deficit of \$30,000. The report identifies strategies that are being considered to mitigate this anticipated shortfall.

For the March 31<sup>st</sup> programs it is not anticipated at this time that these programs will generate significant variances by March 31<sup>st</sup>, 2014.

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



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Medical Officer of Health