



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2014 September 4

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## MIDDLESEX-LONDON HEALTH UNIT – MARCH 31<sup>ST</sup> DRAFT FINANCIAL STATEMENTS

### **Recommendation**

*It is recommended that the Finance & Facilities Committee recommend that the Board of Health approve the audited Consolidated Financial Statements for the Middlesex-London Health Unit, March 31<sup>st</sup>, 2014 as appended to Report No. 034-14FFC*

### **Key Points**

- Attached as Appendix A are the draft Consolidated Financial Statements for the Middlesex-London Health Unit relating to the programs with an operating year from April 1<sup>st</sup>, 2013 to March 31<sup>st</sup>, 2014.

### **Background**

A requirement of the Board of Health is to provide audited financial reports to various funding agencies for programs that are funded from April 1<sup>st</sup> – March 31<sup>st</sup> each year. The purpose of this audited report is to provide the agencies with assurance that the funds were expended for the intended purpose. The agencies use this information for confirmation and as a part of their settlement process.

The following 100% funded programs are included in the audited consolidated financial statements attached as [Appendix A](#):

#### Ministry of Children & Youth Services:

- Blind-Low Vision
- Preschool Speech and Language (tykeTALK)
- Infant Hearing Screening

#### Ministry of Health & Long-Term Care:

- Healthy Communities Partnership Fund
- Bed Bug Initiative
- Panorama Implementation Project
- Smoke Free Ontario – Workplace Demonstration Project

#### Public Health Ontario:

- Shared Library Services

#### Government of Canada:

- Smart Start for Babies Programs

The above programs represent approximately \$3.4 million of the Health Unit's total operating budget of \$33.4 million.

These programs are also reported in the main audited financial statements of the Middlesex-London Health Unit which was approved by the Board of Health this past June, however this report included program revenues and expenditures of these programs during the period of January 1<sup>st</sup> 2013 to December 31<sup>st</sup>, 2013 which does not coincide with the reporting requirements of the funding agencies. Therefore, a separate audited statement is required.

## Financial Review

The consolidated balance sheet can be found on page 2. Its purpose to provide the current value of assets (cash and prepaid expenses) which are balanced with current liabilities (deferred revenue which is bring brought forward into the next operating year and accumulated amount that must be repaid to the funding agencies).

The consolidated statement of operation can be found on page 3. Its purpose is to provide information regarding how programs are funded and how these revenues are used in fulfilling the requirements of the programs. The following are key points that can be taken from this statement:

- 1) Revenue – the majority of the revenue (99%) is comprised of grants from the funding agencies (Province of Ontario, Government of Canada, and Public Health Ontario).
- 2) Expenditures – the majority of program costs, \$2,801,974 (86.5%) relate to personnel costs. Program resources and public awareness account for \$196,875 (6.1%), and the remaining expenses (travel, office supplies, equipment, telephone, and rent) account for \$239,850 (7.4%).

Combined the programs completed the operating year with a surplus of \$96,518 which primarily was generated from the Smart Start for Babies, Health Communities Partnership Fund, and Shared Library Services programs.

A breakdown by program can be found on pages 8 and 9 of Appendix A.

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



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