



TO: Chair and Members of the Finance & Facilities Committee

FROM: Dr. Christopher Mackie, Medical Officer of Health

DATE: 2017 September 7

MIDDLESEX-LONDON HEALTH UNIT – MARCH 31 DRAFT FINANCIAL STATEMENTS

Recommendation

It is recommended that the Finance & Facilities Committee request that the Board of Health approve the audited Consolidated Financial Statements for the Middlesex-London Health Unit, March 31, 2017, as appended to Report No. 030-17FFC.

Key Points

- The draft Consolidated Financial Statements for the Middlesex-London Health Unit for programs with an operating year of April 1, 2016, to March 31, 2017, are attached as [Appendix A](#).

Background

The Board of Health is required to provide audited financial reports to various funding agencies for programs funded from April 1 to March 31 each year. The purpose of these reports is to assure the agencies that the funds were expended for their intended purposes. The agencies use this information for confirmation and as a part of their settlement process.

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

Ministry of Children and Youth Services:

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

Ministry of Health and Long-Term Care:

- Healthy Communities Partnership Fund (payable to MOHLTC only)
- Panorama Implementation Project

Public Health Ontario:

- Library Shared Services

Government of Canada:

- Smart Start for Babies Programs
- FoodNet Canada

The above programs represent approximately \$3.6 million of the Middlesex-London Health Unit's total operating budget of \$35.4 million.

These programs are also reported in the MLHU's main audited financial statements, which were approved by the Board of Health in June 2017. However, the main audited statements included the program revenues and expenditures of these programs for the period of January 1 to December 31, 2016, which does not coincide with the funding agencies' reporting requirements. Therefore, a separate audited statement is required.

Financial Review

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

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

- 1) Revenue – the majority of MLHU revenue (97.3%) is comprised of grants from funding agencies (Province of Ontario, Government of Canada and Public Health Ontario).
- 2) Expenditures – the greater part of the Health Unit program costs, totalling \$3,173,153 (87.7%), relates to personnel costs. Program resources and public awareness accounts for \$194,977 (5.4%), equipment-related purchases account for \$113,929 (3.2%), and the remaining expenses (travel, office supplies, equipment, telephone, rent, etc.) account for \$132,094 (3.7%).

Combined, the programs completed the operating year with a surplus of \$1,657. A breakdown by program can be found on pages 8 and 9 of [Appendix A](#).

This report was prepared by the Finance Team, Corporate Services Division.



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