



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health / CEO

DATE: 2018 September 6

MIDDLESEX-LONDON HEALTH UNIT – MARCH 31 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, 2018 as appended to Report No. 034-18FFC.

Key Points

- The draft Consolidated Financial Statements of the Middlesex-London Health Unit relating to programs with an operating year of April 1, 2017, to March 31, 2018, are attached as Appendix A.
- The above programs represent approximately \$3.8 million (10.7%) of the Health Unit's total operating budget of \$35.4 million.
- Combined, these programs completed the operating year with a \$30,274 surplus, which is payable to the Ministry of Children and Youth Services (\$23,163) and Public Health Ontario (\$7,111).

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 this audited report is to provide these agencies with assurance that the funds were spent for the intended purpose. The agencies use this information for purposes of confirmation and as a part of their settlement processes.

The following 100%-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 \$3.8 million (10.7%) of the Middlesex-London Health Unit's total operating budget of \$35.4 million.

Figures for these programs are also reported in the Health Unit's main audited financial statements, approved by the Board of Health in June 2018. However, the main audited statements include program revenues and expenditures for these programs for the period of January 1 to December 31, 2017—a period that 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 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 operations can be found on page 3 of [Appendix A](#). Its purpose is to provide information about how programs are funded and how these revenues are used in fulfilling program requirements. The following key points can be taken from this statement:

- 1) Revenue – the majority of the revenue (99.1%) is comprised of grants from the funding agencies (Government of Ontario, Government of Canada, and Public Health Ontario).
- 2) Expenditures – the majority of program costs, \$3,453,215 (91.4%), relates to personnel costs. Program resources and public awareness account for \$141,066 (3.7%); equipment-related purchases account for \$44,846 (1.2%); and the remaining expenses (such as travel, office supplies, equipment, telephone, rent, etc.) account for \$139,729 (3.7%).

Combined, the programs completed the operating year with a surplus of \$30,274, which is payable to the Ministry of Children and Youth Services (\$23,163) and Public Health Ontario (\$7,111). A breakdown by program can be found on pages 8–9 of [Appendix A](#).

This report was prepared by the Finance Team, Healthy Organization Division.



Alexander Summers, Associate Medical Officer of Health



Laura Di Cesare, Director, Healthy Organization

On behalf of Christopher Mackie, Medical Officer of Health / CEO