



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health / CEO

DATE: 2019 September 5

MLHU DRAFT FINANCIAL STATEMENTS - MARCH 31, 2019

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, 2019, as appended to Report No. 028-19FFC.

Key Points

- The audited Consolidated Financial Statements for the Middlesex-London Health Unit for programs in the operating year April 1, 2018 to March 31, 2019, are attached as [Appendix A](#).

Background

Each year, the Board of Health is required to provide audited financial reports to certain funding agencies for programs funded from April 1st to March 31st. The purpose of this audited report is to assure these agencies that funds were expended for their intended purpose. The agencies use this information both as 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

Public Health Ontario:

- Library Shared Services

Ministry of Health and Long-Term Care:

- Panorama Implementation Project (2018 only)

Government of Canada:

- Smart Start for Babies Programs
- FoodNet Canada
- HIV/HEP C Program

The above programs represent approximately \$3.7 million of the Health Unit's total operating budget of \$35.4 million.

These programs are also reported in the Health Unit's main audited financial statements, approved by the Board of Health in June 2019. However, the main audited statements included program revenues and expenditures for January 1 to December 31, 2018 – 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 (page 1) provides the current value of assets (cash and prepaid expenses) 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 (page 2) provides information about how programs are funded and how these revenues are used to fulfill the requirements of the programs. The following are key points that can be taken from this statement:

- 1) Revenue – Most of the revenues (99.1%) are comprised of grants from the funding agencies (Province of Ontario, Government of Canada, and Public Health Ontario).
- 2) Expenditures – Most program costs (\$3,363,177, or 91.1%) relate to personnel costs. Program resources account for \$159,219 (4.3%); equipment-related purchases for \$28,407 (0.7%); and remaining expenses (including travel, office supplies, equipment, telephone, rent, etc.) for \$143,972 (3.9%).

Combined, the programs completed the operating year with a surplus of \$30,286. A breakdown by program can be found on pages 7–8 of Appendix A.

Subsequent Event – Transfer of Services to Thames Valley Children’s Centre

Administration of the following services, which are funded by the Ministry of Children and Youth Services, will be transferred to Thames Valley Children’s Centre effective September 1, 2019:

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

Funding for the Health Unit from this agency will be pro-rated in 2019–20 for the period April 1, 2019, to August 31, 2019.

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



Alexander Summers, Associate Medical Officer of Health



Maureen Rowlands, Director, Healthy Living

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