



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2020 September 10

MLHU DRAFT FINANCIAL STATEMENTS – MARCH 31, 2020

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, 2020 as appended to Report No. 020-20FFC.

Key Points

- The audited Consolidated Financial Statements for the Middlesex-London Health Unit for programs in the operating year April 1, 2019 to March 31, 2020 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 process.

The following 100% funded programs are included in the audited Consolidated Financial Statements (attached as [Appendix A](#)):

Ministry of Children Community & Social Services:

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

Government of Canada:

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

Public Health Ontario:

- Library Shared Services

The above programs represent approximately \$2.4 million of the Middlesex-London Health Unit's total operating budget of \$34.6 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 in July 2020. However, the main audited statements included the program revenues and expenditures of these programs for the period of January 1st to December 31st, 2019, which does not coincide with the reporting requirements of the funding agencies. Therefore, a separate audited statement is required.

Financial Review

Effective September 1, 2019, administration of the following services, funded by the Ministry of Children Community & Social Services, was transferred to the Thames Valley Children Centre.

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

Subsequently, pursuant to an amending agreement with the Ministry of Children, Community and Social Services dated August 1, 2019, the Healthy Babies / Healthy Children Program which was previously funded on a calendar basis and included in the main audited statements, was transferred to the March 31 programs.

The consolidated balance sheet can be found on page 5. Its purpose is to provide the current value of assets (prepaid expenses and inter-company receivable) which are balanced with current liabilities (deferred revenue which is 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 6. 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 (99.6%) 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, \$2,222,122 (92.0%) relate to personnel costs. Program resources account for \$110,813 (4.6%), rent accounts for \$30,193 (1.2%), and the remaining expenses (such as travel, office supplies, telephone, equipment, etc.) account for \$52,393 (2.2%).

Combined the programs completed the operating year with a surplus of \$15,786. A breakdown by program can be found on pages 11 and 12 of [Appendix A](#).

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



Alexander Summers, MD, MPH, CCFP, FRCPC
Associate Medical Officer of Health

On behalf of Christopher Mackie, Medical Officer of Health



Dr. Michael Clarke, PhD
Interim CEO