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TO: Chair and Members of the Finance and Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health
Emily Williams, Chief Executive Officer (Interim)

DATE: 2021 September 02

MLHU DRAFT FINANCIAL STATEMENTS – MARCH 31, 2021

Recommendation

It is recommended that the Finance and Facilities Committee make a recommendation to the Board of Health to approve the audited Consolidated Financial Statements of Middlesex-London Health Unit March 31st Programs, for the year ended March 31, 2021 as appended to Report No. 21-21FFC.

Key Points

- The audited Consolidated Financial Statements for the Middlesex-London Health Unit for programs in the operating year April 1, 2020 to March 31, 2021 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 and Social Services: Public Health Agency of Canada:

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

Public Health Ontario:

- Shared Library Services

The above programs represent approximately \$2.8 million of the Middlesex-London Health Unit's total operating budget of \$35.3 million.

These programs are also reported in the main audited financial statements of the Middlesex-London Health Unit which were approved by the Board of Health in June, 2021. However, the main audited statements included the program revenues and expenditures of these programs for the period of January 1st to December 31st, 2020, 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 1. 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 2. 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 (99.9%) is comprised of grants from the funding agencies (Ontario Ministry of Children, Community and Social Services, Public Health Agency of Canada, and Public Health Ontario).
- 2) Expenditures – the majority of program costs, \$2,701,652 (95.8%) relate to personnel costs. Program resources account for \$45,713 (1.6%), equipment costs account for \$30,000 (1.1%), professional development accounts for \$14,072 (0.5%) and the remaining expenses (such as rent, travel, office supplies, telephone, equipment, etc.) account for \$28,807 (1.0%).

Combined, the programs completed the operating year with a deficit of \$2,715. A breakdown by program can be found on pages 8 and 9 of [Appendix A](#).

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



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FOR

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