

AGENDA
MIDDLESEX-LONDON BOARD OF HEALTH
Finance & Facilities Committee

Microsoft Teams
Thursday, November 3, 2022 at 9 a.m.

1. DISCLOSURE OF CONFLICTS OF INTEREST

2. APPROVAL OF AGENDA – November 3, 2022

3. APPROVAL OF MINUTES – October 6, 2022

4. NEW BUSINESS

4.1 Q3 Financial Update and Factual Certificate (Report No. 18-22FFC)

4.2 Proposed Adjustments to Reserves (Report No. 19-22FFC)

4.3 Proposed 2023 Budget (Report No. 20-22FFC)

5. CONFIDENTIAL

The Middlesex-London Board of Health (Finance and Facilities Committee) will move into a confidential session to discuss matters which pertain to one or more of the following, as per section 239(2) of the *Municipal Act, 2001, S.O. 2001, c. 25*:

- (a) the security of the property of the municipality or local board;
- (b) personal matters about an identifiable individual, including municipal or local board employees;
- (c) a proposed or pending acquisition or disposition of land by the municipality or local board;
- (d) labour relations or employee negotiations;
- (e) litigation or potential litigation, including matters before administrative tribunals, affecting the municipality or local board;
- (f) advice that is subject to solicitor-client privilege, including communications necessary for that purpose;
- (g) a matter in respect of which a council, board, committee or other body may hold a closed meeting under another Act;
- (h) information explicitly supplied in confidence to the municipality or local board by Canada, a province or territory or a Crown agency of any of them;
- (i) a trade secret or scientific, technical, commercial, financial or labour relations information, supplied in confidence to the municipality or local board, which, if

disclosed, could reasonably be expected to prejudice significantly the competitive position or interfere significantly with the contractual or other negotiations of a person, group of persons, or organization;

(j) a trade secret or scientific, technical, commercial or financial information that belongs to the municipality or local board and has monetary value or potential monetary value; or

(k) a position, plan, procedure, criteria or instruction to be applied to any negotiations carried on or to be carried on by or on behalf of the municipality or local board.

6. OTHER BUSINESS

6.1 Next meeting: December 1, 2022 at 9 a.m.

7. ADJOURNMENT



**PUBLIC MINUTES
FINANCE & FACILITIES COMMITTEE**
Microsoft Teams
Thursday, October 6 at 9 a.m.

MEMBERS PRESENT: Mr. Mike Steele (Chair)
Mr. Matt Reid
Ms. Maureen Cassidy
Mr. Selomon Menghsha

REGRETS: Ms. Kelly Elliott

OTHERS PRESENT: Ms. Stephanie Egelton, Senior Executive Assistant to the Medical Officer of Health (Recorder)
Dr. Alexander Summers, Medical Officer of Health
Ms. Emily Williams, Chief Executive Officer
Mr. David Jansseune, Assistant Director, Finance
Ms. Carolynne Gabriel, Communications Coordinator and Executive Assistant to the Board of Health
Ms. Mary Lou Albanese, Director, Environmental Health and Infectious Disease

At **9:01 a.m.**, Chair Mike Steele called the meeting to order.

DISCLOSURES OF CONFLICT OF INTEREST

Chair Steele inquired if there were any disclosures of conflict of interest. None were declared.

APPROVAL OF AGENDA

It was moved by **Ms. Maureen Cassidy, seconded by Mr. Matt Reid**, that the **AGENDA** for the October 6, 2022 Finance & Facilities Committee meeting be approved.

Carried

APPROVAL OF MINUTES

It was moved by **Mr. Reid, seconded by Ms. Cassidy**, that the **MINUTES** of the August 4, 2022 Finance & Facilities Committee meeting be approved.

Carried

NEW BUSINESS

MLHU2 Financial Statements – Fiscal 2022 from April 1, 2021 to March 31, 2022 (Report No. 15-22FFC)

Ms. Emily Williams, Chief Executive Officer introduced the report on the MLHU2 Financial Statements. Ms. Williams explained that this is the “second company” of the Health Unit financially.

Mr. David Jansseune, Assistant Director, Finance provided an overview of the MLHU2 Financial Statements (April 1, 2021-March 31, 2022).

Highlights of these financial statements included:

- The five programs in these financial statements are 100% funded by the Province..
- The goal for these programs is to use as many funds provided as possible to conduct work within these programs.
- MLHU budgeted \$2,827,920 on expenditures for these programs but spent \$2,714,219 .
- Note 3 indicates financial liabilities, with currently \$35,676 listed as liabilities with permission to carry over. This is listed as a liability because if these funded programs (Blind-low vision, Preschool speech and language, Infant hearing, Healthy Babies Healthy Children, Shared Library Services and Smart Start for Babies) ended today, we would be required to pay back these funds to their funders. There was an approximate \$6000 deficit for Shared Library Services in 2022.
- In Note 4, it is noted that the HIV/HEP C Program ended in March 2022 and will not appear on future financial statements.

It was moved by **Mr. Reid, seconded by Mr. Selomon Menghsha**, *that the Finance & Facilities Committee make a recommendation to the Board of Health to approve the audited Financial Statements of Middlesex-London Health Unit for programs ended March 31, 2022.*

Carried

Proposed 2023 Budget Planning Process (Report No. 16-22FFC)

Ms. Williams provided the committee a proposal for the 2023 Budget Planning Process.

Ms. Williams noted that the 2023 budget process is being adjusted at MLHU. This is due to continued uncertainty regarding COVID-19 requirements, lack of visibility to 2023 base funding, significant inflationary pressures, and because adjustments at the margin as in past years using Program-Based Marginal Analysis (PBMA) are no longer effective. The new processes needed for planning for MLHU include two new frameworks and zero-based budgeting.

MLHU is going to budget based on the following assumptions:

- Funding will be flat to 2022 levels, with MLHU covering all inflationary pressures and with Ministry funding information to be available in January 2023.
- Mitigation funding will be continued for 2023.
- COVID-19 remains separate “extraordinary expense” with funding confirmed for 2023 on September 29, 2022.

Ms. Williams noted as many organizations are experiencing, MLHU is experiencing significant inflationary pressures. This includes \$596,000 for salary/benefits/step-increases and \$300,000 for corporate expenses, totaling approximately \$896,000.

It was noted that Senior Leadership has supported a plan to reduce gapping to 2021 levels, with an additional pressure of approximately \$336,000. Further, Senior Leadership has supported an additional plan to increase payment of variable portion of the bank loan (related to the fit-up of CitiPlaza office location).

This plan includes:

- Budgeting \$200,000 for 2023 (currently \$75,000 annually).
- Evaluation will occur in Q4:
 - This will be added to the gapping budget line; not the overall target.
 - Determine amount to pay based on surplus/shortfall – it is noted that the additional payments will only be made if there is a surplus.
 - Must be budgeted for Ministry of Health to allow for repayment.

Ms. Williams summarized that the organizational target for inflationary pressures is \$896,000 and for reduction in gapping/adding bank loan payment is \$336,000 with the total target being \$1,200,000.

Ms. Williams highlighted the proposed budget planning process for 2023 includes zero-based budgeting of general expenses and using the frameworks of the Public Health Program Pyramid and Critical Business Infrastructure (depending on which program is being evaluated).

Highlights of zero-based budgeting include:

- The exclusion of COVID-19 funds.
- Keeping 100% funded programs at 2022 levels.
- Finance providing allocations based on 4-year history of actuals.
- Senior Leadership providing rationale for any increase to SLT for approval.

Dr. Alex Summers, Medical Officer of Health provided an overview of the Public Health Program Pyramid (noted in Appendix A):

- The pyramid is split into different levels.
- Legacy (disinvested) work has been moved into different sectors or is deemed no longer impactful. MLHU does not have much of this programming remaining.
- Aspirational (reviewed) work is optional work that could fit into a community need, but not under the core understanding of public health work.
- Essential (maintained) is programming aligned under the Ontario Public Health Standards or legislated under the *Health Protection and Promotion Act* and considered a part of organizational strategy and effective interventions of programs for their work.
- Critical (preserved) are mandatory programs aligned under the Ontario Public Health Standards or legislated under the *Health Protection and Promotion Act* and include critical business infrastructure and work throughout a crisis. These include services that were run throughout the pandemic.

Ms. Williams provided an overview of the Critical Business Infrastructure framework:

- Cross-organizational service that impacts all staff, supports all divisions equally and provides consultative/problem-solving services to other parts of the organization.
- Supports legislated requirements.
- Provides business continuity/critical infrastructure that includes support to emergency response and ensures the protection of the organization's assets.
- Supports external stakeholders, to provide information and support stakeholder relations.

Next steps include Board of Health approval, staff engagement, notifying union partners, presenting at Staff Town Hall and divisional follow up.

The Board noted that funding could be requested from the local municipalities to address shortfalls. Dr. Summers noted that municipal partners could be asked to provide additional funding under the *Health Protection and Promotion Act*. Municipalities have been filling shortfall for delivery of important public health programs and the gap has been filled in other jurisdictions.

Ms. Williams noted that for cost effective strategies corporately and for the future, MLHU has been conducting equipment refresh cycles and looking at reestablishing certain reserve funds. Ms. Williams further noted that MLHU has embedded risk rating criteria from the historical PBMA process into these budgeting frameworks to leverage the strengths of that process.

It was moved by **Ms. Cassidy, seconded by Mr. Menghsha**, that the Finance & Facilities Committee make a recommendation to the Board of Health to:

- 1) Approve the revised budget planning process for 2023 outlined herein;
- 2) Approve the modified zero-base budgeting approach to General Expenses; and

3) Receive the Public Health Program Pyramid and Critical Business Infrastructure frameworks outlined in Appendix A and Appendix B to Report No 16-22FFC for information.

Carried

CONFIDENTIAL

At **9:40 a.m.**, it was moved by **Ms. Cassidy, seconded by Mr. Reid**, that the Finance and Facilities Committee will move in camera to consider matters regarding personal matters about an identifiable individual, including municipal or local board employees, matters regarding labour relations or employee negotiations, and advice that is subject to solicitor-client privilege, including communications necessary for that purpose.

Carried

At **9:57 a.m.**, it was moved by **Mr. Reid, seconded by Ms. Cassidy**, that the Finance and Facilities Committee rise and return to public session from closed session.

Carried

OTHER BUSINESS

The next Finance and Facilities Committee meeting will be held November 3 at 9 a.m.

ADJOURNMENT

At **9:58 a.m.**, it was moved by **Ms. Cassidy, seconded by Mr. Reid**, that the meeting be adjourned.

Carried

MICHAEL STEELE
Chair

EMILY WILLIAMS
Secretary



TO: Chair and Members of the Finance and Facilities Committee

FROM: Emily Williams, Chief Executive Officer

DATE: 2022 November 3

2022 Q3 FINANCIAL UPDATE AND FACTUAL CERTIFICATE

Recommendation

It is recommended that the Finance and Facilities Committee review and recommend to the Board of Health to receive Report No. 18-22FFC, re: “2022 Q3 Financial Update and Factual Certificate” for information.

Key Points

- The Middlesex-London Health Unit Q3 Financial Update ([Appendix A](#)) is a comprehensive report which covers key financial elements to assist with strategic decision making.
- It includes an Executive Summary and commentary on:
 - Q3 Variance Analysis
 - Forecast
 - Cashflow, which also includes a Financial Borrowing update
- The following schedules are also provided:
 - Consolidated Results, plus
 - Shared Funding Programs
 - COVID-19
 - Seniors Dental Program
 - General Expense Details
 - Cashflow Schedule
 - Factual Certificate

Background

A new reporting format was developed to deliver information across multiple financial elements. This information is intended to assist with strategic decision making.

Financial Highlights

Please refer to [Appendix A](#) for full details.

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

A handwritten signature in black ink that reads 'EWilliams'.

Emily Williams BScN, RN, MBA, CHE
Chief Executive Officer

Middlesex-London Health Unit

Q3 Financial Update

Ending September 30, 2022

Table of Contents

Executive Summary	3
Forecast	7
Cashflow Projections	8
Schedule A – Consolidated Results.....	10
Schedule A.1 – Shared Funding Programs	11
Schedule A.2 – COVID-19	12
Schedule A.3 – Seniors Dental Program	13
Schedule A.4 – General Expense Details.....	14
Schedule B – Cashflow Schedule	15
Schedule C – Factual Certificate	16

Executive Summary

This quarterly package reviews the financial progress of the Middlesex-London Health Unit from January 1st to September 30th of 2022. The included commentary and schedules will highlight financial results and forecast of various areas within the Health Unit.

With the information currently available, emphasis was placed on generating as accurate as possible annual forecast. It is this forecast that the Ministry will review to determine if additional COVID-19 funding is required by the Health Unit. Based on the forecast, the MLHU will be requesting an additional \$9 million of COVID-19 funding (received \$10.2 million to date).

Q3 Variances: Expenses are favourable to budget by \$6.6 million (Shared Funding Programs \$1.3 M and COVID-19 \$5.3 M). Salaries and Benefits continue to be favourable due to vacancies and a reduction in Case & Contact Management, offset with unfavourable overtime. General Expenses are also favourable with reduced spending.

Nurses Retention Incentive: Please note that Salaries and Benefits include an estimated \$1.1 million for this incentive that was not budgeted. The offset funding flows through Other Income to have a bottom-line impact of nil.

Forecast: Shared Funding Programs are forecasted to deliver a surplus of \$2.3 million from reduced spending across most areas of the Health Unit. This year has been challenging to find candidates as most of the vacancies have been temporary, which is difficult to attract and retain staff, especially as many other organizations were recruiting health human resources. The vacancies were unusually high due to permanent staff taking on temporary assignments relating to COVID-19 and needing to backfill their positions, as well as temporary staff filling permanent positions and needing to backfill their temporary assignments. Some programs also had delayed start-ups that further reduced spending.

As directed by the Ministry, this surplus of \$2.3 million will be applied to reduce COVID-19 expenses and lessen the Ministry funding for that program. This action will result in Shared Funding Programs and COVID-19 balancing to zero at year end, with no surplus, and no deficit.

Cashflow: The first half of the year caused the bank account to have large swings resulting in both positive and negative cash balances. The year started with \$10 million and was quickly depleted over Q1 with no COVID-19 funding. It rebounded from a negative cash balance to end June at \$4.1 million and has stayed relatively constant since then. Forecast would indicate a positive balance for the remainder of the year. December includes estimated COVID-19 funding of \$9.7 million offset with Ministry settlements of \$3.8 million. Cash is at risk of a negative balance without additional COVID-19 funding.

If you have any questions regarding this information, or suggestions on content, please contact the undersigned.

On behalf of the Finance Team within the Healthy Organization Division,



Dave Jansseune, CPA, CMA
Assistant Director, Finance

Emily Williams, BScN, RN, MBA, CHE
Chief Executive Officer

Q3 Variance Analysis

Consolidated

Shared Funding Programs: Q3 variance is \$2,517k fav to budget. Revenue is favourable and includes an estimated \$1.1 million to support the Nurses Retention Incentive. Staff vacancies continue to drive favourability in Salaries & Wages, offset with unfavourable overtime related to COVID-19 and recovery efforts. Reduced spending across General Expenses has also generated favourability to budget.

COVID-19: Q3 variance is \$5,588k unf to budget. Revenue is unfavourable with reduced funding to date and no accruals were made. The Ministry has committed to adjust funding based on the Q3 submission of estimated annual costs. To date, the Clinics are spending to budget while Case and Contact Management (CCM) is underspent resulting in overall Salaries & Wages favourability. The actual overtime remains equally split between Clinics and CCM; however, there was no overtime budgeted for CCM. General Expenses are favourable with reduced spending.

Seniors Dental Program: This is a 100% funded program and to date funding is exceeding expenses by \$1,045k. The salaries and wages are being analyzed for missing charges (staff charged to the wrong department) and will be updated for Q4 reporting. Aside from any correcting entry, this program is underspent and will remain underspent till year end resulting in a funding claw back to the Ministry.

Additional 100% funded programs/incentives to highlight:

Nurses Retention Incentive: The Ministry has provided \$1,190k funding for this initiative to date. Although the numbers are draft, the MLHU has paid out \$1,048k to qualifying nurses which will leave a small amount owing to the Ministry of \$142k. These numbers will be finalized during Q4.

CLIF: Funding \$415,798. Forecasted expenses \$303,659. Spending as at September was \$252,142.

School Focused Nurses Initiative: Funding \$1,642,700. Forecasted expenses <\$350,000. The remainder of these funds will be returned to the Ministry with an expected claw-back during 2022 Q4.

Seniors Dental Care Capital-Strathroy: Funding \$1,050,100. No expenses to date, but space has been secured in Strathroy with a signed lease. An RFP (request for proposal) will be published shortly to have contractors bid on the construction project.

Shared Funding Programs *(numbers represent overall surplus/deficit, both revenue & expenses)*

Office of the Medical Officer of Health \$658k surplus

Office of the Associate MOH: \$125k fav. Wages & Benefits \$143k fav due to AMOH vacancy offset with overtime \$10k unf. Funding is also \$20k unf (from misc revenue and enhanced provincial funding).

Office of the MOH: \$35k fav. Wages & Benefits \$34k fav.

PHAS: \$101k fav. Wages & Benefits \$95k fav (the Data Analyst wages are underspent by \$85k).

Program Planning & Evaluation: \$398k fav. Wages & Benefits \$386k fav with no charges for Emergency Planning, Program Assistants and Librarian. \$6k fav in Materials & Supplies.

Office of the Chief Nursing Officer \$298k surplus *(to be consolidated under OMOH for 2023)*

Chief Nursing Officer: \$243k fav. Wages & Benefits \$190k fav with no charges for CNO & Administration Health Equity. \$8k fav in General Expenses with no charges through Q3. Special Projects-NFP (nurse family partnership) is \$39k fav as there was no budget for this recovery – this is billing of shared wages.

Health Equity: \$55k fav. Wages & Benefits \$29k fav. Professional Fees also \$21k fav with very little spending to date.

Environmental Health & Infectious Diseases \$1,017k surplus

Community Outreach & Clinical Support Services: \$189k unf. Wages & Benefits \$216k unf (Administration and Outreach Worker are \$304k unf; non-budgeted Clinical Team Assistant \$117k unf; no charges for PHN and Dental Assistant \$250k fav). Favourability in equipment, staff development and travel for \$27k fav.

Food Safety & Healthy Environments: \$214k fav. Wages for the Public Health Inspectors \$177k fav. Benefits \$26k fav. Travel & Staff Development \$5k fav.

Infectious Diseases: \$797k fav. Wages \$351k fav (PHN \$180k and PHI \$164k). Benefits \$95k fav. Also \$343k fav from increased Shared Grant Income IPAC (actual \$563k vs budget \$220k - \$220k is missed funding from 2021 and \$67k will be deferred to 2023).

Office of the Director: \$49k fav, all related to Wages and Benefits (\$30k from reduced Admin wages).

Safe Water & Vector-Borne Diseases: \$71k fav. Wages & Benefits \$52k unf (PHI \$28k unf, Standby \$27k unf). Mosquito Identification & Abatement \$75k fav. Promotional Materials \$14k fav. There were no allocated admin costs which resulted in \$23k fav.

Sexual Health: \$181k fav. Wages & Benefits \$39k fav. Clinic Physician fees \$28k fav. Oral Contraceptives \$127k fav. Reduced spending against Promotional Projects \$10k fav. Non-budgeted revenue of \$54k from HIV testing and \$8k from a private donation offset with reduced user fees of \$99k from OHIP billing, physician charges and contraceptive sales.

Vaccine Preventable Disease: \$105k unf. Wages & Benefits \$27k unf. No grant funding for MenC & HPV Gardasil \$79k unf. Printing costs \$14k unf and Materials & Supplies were also \$24k unf. Reduced costs of vaccines \$36k fav.

Healthy Living \$740k surplus

Child Health Team: \$270k unf. Wages & Benefits \$322k unf (\$119k unf non-budgeted casual PHN's, \$149k unf wages for PHN's, \$56k unf Benefits). Little to no spending in General Expenses \$52k fav.

Chronic Disease & Tobacco Control: \$169k fav. Wages & Benefits \$144k fav (no manager \$89k fav). Program Materials were overspent by \$27k unf offset with reduced spending in other general expense areas that amounted to \$52k fav.

Healthy Communities & Injury Prevention: \$627k fav. Received funding against no budget \$61k fav (Road Safety \$7k, Low Risk Drinking \$1.6k, Active & Safe Routes to School \$27k, CDAS \$25k). Wages and Benefits \$528k fav (\$361k fav PHN's, \$113k fav benefits). Minimal spending across General Expenses contributing \$39k fav.

Office of the Director: \$63k fav. Wages & Benefits \$48k fav (\$41k due to reduced Administration wages). There were no charges to General Expenses amounting to \$15k fav.

Oral Health Programs: \$24k unf. Wages & Benefits \$57k unf (includes \$29k unf overtime). Program Supplies \$5k fav. Travel & Accommodations \$8k fav. No spending on Dental Equipment \$10k fav and Special Projects \$4k.

SFO-South West TCAN: \$217k fav. Wages & Benefits \$72k fav (no manager and admin support, but increased wages for Youth Specialist and Youth Leader). Six projects included here with little to no spending against budget \$108k fav. There were no allocated admin costs \$21k fav.

Young Adult Team: \$42k unf. Wages & Benefits \$68k unf (PHN's were \$109k unf offset with no spending for the Dietician \$60k fav, Overtime \$13k unf, Benefits \$11k unf). Program Supplies were underspent \$14k fav while other General Expenses were \$13k fav.

Healthy Start \$327k surplus

Early Years Community Health: \$38k fav. Wages & Benefits \$14k fav. Very little spending in General Expenses to contribute an additional \$24k fav to budget.

Healthy Beginnings Visiting & Group Programs: \$249k fav. Wages & Benefits \$199k fav (included is benefits at \$67k fav). Minimal spending across General Expenses \$49k fav.

Healthy Families Home Visiting: \$80k fav. Wages & Benefits \$32k fav. Minimal spending in General Expenses \$48k fav.

Office of the Director: \$39k unf. Wages & Benefits \$49k unf offset with \$10k fav General Expenses.

Healthy Organization \$523k deficit or \$518k unf excluding gap/Nurses Retention funding

Communications: \$52k unf. Wages are \$46k unf (non-budgeted Communications Coordinator), Overtime \$12k unf, Benefits \$8k unf. Minimal spending in General Expenses \$14k fav.

Finance: \$92k unf. Wages are \$52k unf (non-budgeted Financial Analyst), Overtime \$36k unf, Benefits \$6k unf. General expenses <nil> except for small spending in Supplies.

General – Main MLHU: \$364k unf. Nurses Retention Incentive funding \$1,190k fav (the related expenses are in the department salaries) which was offset with the budgeted gap adjustment \$1,195k unf. A non-budgeted labour relations cost required \$160k unf spending. Legal Fees were also overspent at \$54k unf. Postage \$53k unf and Supplies \$20k unf.

Human Resources: \$106k unf. Wages are \$61k unf, Overtime \$48k unf. Minimal spending in General Expenses \$4k fav.

Information Technology: \$40k fav. Misc Revenue \$150k unf due to the cancellation of Special Projects – Electronic Medical Records. Wages & Benefits \$101k fav (the \$150k fav Special Projects-EMR labour component was slightly offset with increased wages for the System Analyst of \$48k unf). Computer Equipment & Software \$112k fav. IT Consulting Fees were \$31k unf.

Office of the Director: \$21k unf. Wages & Benefits \$59k unf as the budget didn't represent the new CEO position. Staff Education \$33k fav to budget.

Procurement & Operations: \$54k unf. Wages & Benefits - additional head count over budget.

Strategy, Risk & Privacy: \$127k fav. Wages & Benefits due to vacancies.

The schedules for COVID-19, Seniors Dental Program and General Expense Details provide adequate details and do not require additional commentary. If you have questions, please reach out to the Assistant Director of Finance or CEO.

Forecast

Forecasting is a critical process to understanding risk and opportunities from an annual perspective. The focus in this report is on Annual Forecast vs the 2022 Budget and what changes, or events, have taken place to warrant a change from the Board approved budget.

The budget was developed without knowing funding levels from the Ministry. When the Accountability Agreement was received, the forecast was adjusted to the Approved Grants & Budget schedule. As the year progresses, the forecast is again adjusted to estimate the cost impact of events or actions.

Ministry Approved – Grants & Budget Schedule, May 2nd:

1. Mandatory Program funding approved \$20,004,600 vs budget \$20,004,565 (Ministry rounding).
2. Ontario Seniors Dental Care Program funding \$2,191,500 vs budget \$1,861,400. Increased funding was offset with increased Professional Services (outside dental services).
3. School Focused Nurses Initiative funding \$1,642,700 vs budget \$726,000 – actual funding from April 1st to December 31st. Increased funding was offset with increased wages and benefits for PHN's.
4. COVID-19 Recovery funding was not approved. Decreased funding was offset with decreased wages, benefits and travel costs.
5. Special Projects (EMR) funding was not approved. Decreased funding was offset with decreased wages (both funding and expense was budgeted under Information Technology).

Items Excluded:

All capital related transactions are excluded as this report focuses on operating only.

In-Year Forecast Assumptions:

The forecast is representative of 12 months and includes 9 months of actuals from January to September, plus 3 months of estimates from October to December. The estimates include the following:

Salaries & Wages: Based on department vacancy rates plus any approved changes to salary level and/or positions held. This is a difficult area to forecast due to how fluid staffing is, and collaboration between department Managers, Human Resources and Finance is critical.

Overtime: Trending and the level of activity in the program provides a basis for estimating overtime.

Benefits: Calculated as a percentage of total estimated salaries. Full time staff are estimated at 26% benefits, while non-full-time staff are estimated at 12% benefits.

General Expenses: Some of these expenses, such as occupancy costs, are based on contracts and the annual expenses will match the contract. Other expenses are more discretionary (training, travel, supplies, professional services) and the estimates are based on in-year trending and discussions with Managers and Directors.

Cashflow Projections

Bank balances: September 30th was \$3,865,229 positive. As at October 20th it was \$4,501,691 positive.

Total available line of credit: \$8 million with no draw.

Outstanding bank loan: Fixed \$3,050,000 owing \$2,838,011. Variable \$1,150,000 owing \$1,049,375.

Employment Cost Reserve: \$176,077. A declared reserve on our financial statements. This is not the same as money in the bank as it represents a sum of money set aside with a specific purpose, but there should be cash available to fund the reserve if called upon.

First Quarter: Cash balance (\$135,998). Cash was depleted in the first quarter with increased payroll and no COVID-19 funding. Payroll averaged \$1.8 million per payment against an average of \$1.4 million and there were three pays withdrawn from the account in March (actual 3 pays occurred in April, but the bank withdrew in advance of the payment). Payroll was more than average due to increased overtime and vaccine clinic operations.

Second Quarter: Cash balance \$4,133,230. Payroll has returned to slightly higher than average at \$1.489 million per payment. COVID-19 funding was received in April for \$1,777k (related to 2021) and again in June for \$6,790k (related to 2022). Funding was received during June for the Nurses Retention Incentive \$991,748 with disbursements totaling \$559,251 – the second payment was estimated for October (*actual payment done in September with a few corrections done in October*).

Third Quarter: Cash balance \$3,865,229. Grant funds received from IPAC include \$68k for 2023. COVID-19 funding was received monthly during Q3 and amounted to \$3.4 million with total 2022 funding to date of \$10.2 million. A portion of the Strathroy capital funding was also received, \$159k of the Ministry committed \$318k (to date, \$859k capital funding has been received out of the total committed \$1,050k). Working capital is related to timing within payroll. The Nurses Retention Incentive receipts totaled \$1,190k while payments totaled \$1,048k.

Ministry Clawbacks / Prior Year Adjustments / Capital (as per Schedule B – Cashflow Schedule)

February: *\$1,054,677 Paid.* 2021 School Focused Nurses Initiative. We had received \$2.2 million with forecasted usage of \$924,470. The Ministry clawed back \$1,054,677. The MLHU owes the Ministry \$220,853.

March: *\$81,244 Received.* Vaccine reimbursement of \$87,366 offset with a claw back of \$6,122 for compensation initiative.

April: *\$1,776,900 Received.* 2021 COVID-19 funds received. Required \$1,082,558 to balance. Now owe the Ministry \$694,342.

June: *\$82,524 Received.* Current year funding for Seniors Dental Capital-Strathroy (this is under review to determine if it is Seniors Dental operating or Seniors Dental capital). *Updated during Q3, this was operating and has been moved to such within the schedule. This item now shows as zero.*

August: *\$132,632 Received.* Funding received for Seniors Dental Capital-Strathroy.

September: *\$26,524 Received.* Funding received for Seniors Dental Capital-Strathroy.

Forecast Assumptions:

November: *\$324,121 Owing.* A review of Middlesex-London Health Unit's submitted 2019 Annual Reconciliation Report has determined that this amount is owed to the Ministry.

December: \$9,686,612 Receivable. The amount of funding required to balance Shared Funding Programs and COVID-19 to zero, no surplus and no deficit.

December's forecast also includes the following adjustments to total \$3,838,770 Owing:

\$1,419,130 Owing. 2020 COVID-19. COVID-19 costs were estimated at \$5,996,023 during the 2020 Q4 SAR submission – this is the amount that was paid to the Health Unit in 2021. Final COVID-19 costs were determined to be \$4,576,893 and reported as such in the audited ARR (annual reconciliation report).

\$235,388 Owing. 2020 Senior Dental Care Program. The MLHU had received \$1,861,400 and used \$824,233. The Ministry clawed back \$801,779 with the balance still owing.

\$210,001 Owing. 2021 Senior Dental Care Program. The MLHU had received \$1,861,400 and used \$1,651,399. The MLHU now owes the Ministry \$210,001.

\$220,853 Owing. 2021 School Focused Nurses Initiative. Represents the estimated remaining amount that wasn't clawed back in February as noted above (2,200,000 funding - 924,470 usage - 1,054,677 claw back).

\$190,944 Receivable. Capital for Strathroy Dental: The MLHU has received \$859,156 to date and were approved for a total of \$1,050,100, leaving \$190,944 still to be received (of which \$31,800 is approved for 2023).

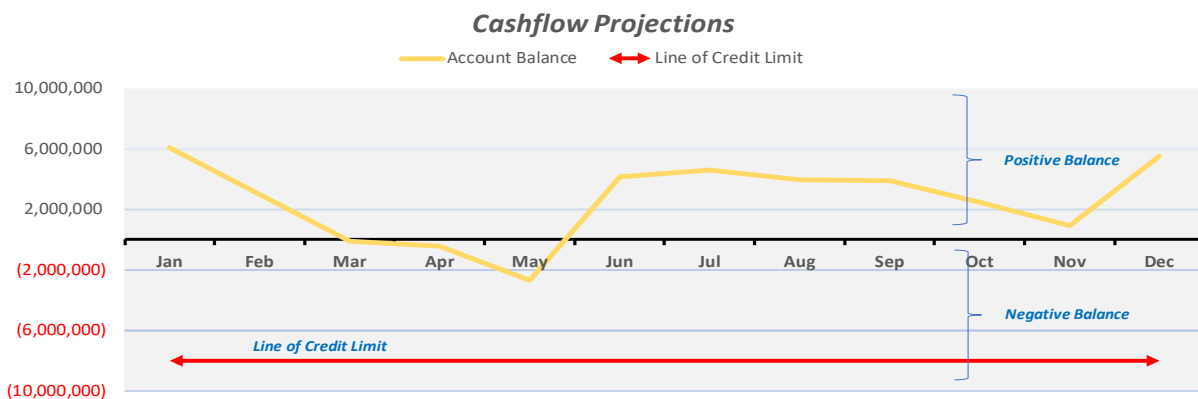
\$450,000 Receivable. 2021 Year-End & COVID-19. Ministry approved an additional \$2,226,900 on March 31st to further support 2021 operations of which the MLHU received \$1,776,900 on April 26th. The remaining \$450,000 is outstanding.

\$694,342 Owing. 2021 Year-End & COVID-19. Required \$1,082,558 to balance – the 2021 Q4 presentation showed a draft, non-audited, requirement of \$1,451,665. This amount was reduced through the year end closing process. On April 26th, the MLHU received \$1,776,900, and now owes the Ministry \$694,342.

\$1,200,000 Owing. 2022 School Focused Nurses Initiative. Based on funding and utilization, this is an estimated claw back for the current year.

\$500,000 Owing. 2022 Seniors Dental. Based on funding and utilization, this is an estimated claw back for the current year.

Below is an estimate of cashflow projections based on the above commentary.



Schedule A – Consolidated Results

Q3 Financials, ending September 30, 2022

<i>(revenue)/expenses</i>	Financials from Jan to			Full Year from Jan to Dec		
	Actual	Budget	fav/(unf)	Forecast	Budget	fav/(unf)
Shared Funding Programs						
Grants, User Fees & Other Income	(24,620,603)	(23,385,936)	1,234,667	(32,417,184)	(31,181,248)	1,235,936
Salaries & Wages	14,602,469	15,795,440	1,192,971	19,104,246	20,534,072	1,429,825
Salaries & Wages Overtime	271,576	23,298	(248,277)	301,667	30,288	(271,379)
Benefits	3,540,592	4,112,300	571,708	4,631,729	5,203,438	571,708
Gap	0	(1,195,326)	(1,195,326)	0	(1,593,768)	(1,593,768)
General Expenses	4,294,052	5,255,414	961,361	6,063,352	7,007,219	943,867
Total Expenses	22,708,689	23,991,126	1,282,437	30,100,994	31,181,249	1,080,255
(Surplus) / Deficit	(1,911,914)	605,190	2,517,104	(2,316,190)	1	2,316,191
COVID-19 Programs (816, 818, SFNI)						
Grants, User Fees & Other Income	(10,737,600)	(21,596,171)	(10,858,571)	(19,871,462)	(28,794,894)	(8,923,432)
Salaries & Wages	10,561,921	14,823,836	4,261,915	13,465,785	19,270,986	5,805,201
Salaries & Wages Overtime	1,923,484	1,469,311	(454,173)	2,571,036	1,910,105	(660,931)
Benefits	1,703,571	2,631,583	928,013	2,493,046	3,421,058	928,013
General Expenses	2,609,600	3,144,559	534,959	3,657,786	4,192,745	534,959
Total Expenses	16,798,576	22,069,289	5,270,713	22,187,652	28,794,894	6,607,242
(Surplus) / Deficit	6,060,976	473,118	(5,587,857)	2,316,190	(0)	(2,316,190)
Combined: (Surplus)/Deficit	4,149,062	1,078,309	(3,070,753)	0	1	0
Other 100% Funded Programs						
Seniors Dental Program (172)						
Grants, User Fees & Other Income	(1,720,250)	(1,396,050)	324,200	(2,191,500)	(1,861,400)	330,100
Salaries & Wages	184,154	389,487	205,333	506,334	506,334	0
Salaries & Wages Overtime	5,078	0	(5,078)	0	0	0
Benefits	48,011	103,254	55,243	78,987	134,230	55,243
General Expenses	450,014	915,627	465,613	755,223	1,220,836	465,613
Total Expenses	687,257	1,408,368	721,111	1,340,543	1,861,400	520,856
(Surplus) / Deficit	(1,032,993)	12,318	1,045,311	(850,957)	(0)	850,956

Schedule A.1 – Shared Funding Programs

Q3 Financials, ending September 30, 2022

<i>(revenue)/expenses</i>	Financials from Jan to			Full Year from Jan to Dec		
	Actual	Budget	fav / (unf)	Forecast	Budget	fav/(unf)
Office of the Medical Officer of Health						
Office of the Associate MOH	117,582	242,244	124,662	172,164	313,670	141,506
Office of the MOH	331,603	366,123	34,520	456,539	475,273	18,734
Population Health Assess & Surv	373,410	474,197	100,788	515,746	616,675	100,930
Program Planning & Evaluation	317,204	714,948	397,744	495,394	930,337	434,944
Office of the Medical Officer of Health Total	1,139,799	1,797,513	657,714	1,639,842	2,335,956	696,114
Office of the Chief Nursing Officer Division						
Chief Nursing Officer	158,064	400,689	242,625	258,078	521,371	263,294
Health Equity	292,669	347,687	55,018	420,910	453,100	32,190
Office of the Chief Nursing Officer Division Total	450,733	748,376	297,643	678,988	974,472	295,484
Environmental Health & Infectious Diseases						
Community Outreach & Clinical Support Services	905,696	716,673	(189,023)	876,129	933,393	57,265
Food Safety & Healthy Environments	1,191,547	1,405,510	213,963	1,641,892	1,828,009	186,117
Infectious Diseases	270,863	1,067,636	796,773	603,468	1,381,211	777,743
Office of the Director	152,633	201,294	48,661	230,866	261,715	30,849
Safe Water & Vector-Borne Diseases	972,275	1,043,054	70,779	1,310,101	1,362,036	51,935
Sexual Health	1,698,215	1,878,803	180,589	2,313,401	2,462,289	148,888
Vaccine Preventable Disease	1,275,981	1,171,381	(104,600)	1,602,785	1,521,822	(80,962)
Environmental Health & Infectious Diseases Total	6,467,211	7,484,351	1,017,141	8,578,642	9,750,476	1,171,833
Healthy Living						
Child Health Team	1,587,212	1,316,780	(270,432)	2,008,731	1,713,587	(295,144)
Chronic Disease & Tobacco Control	863,673	1,032,394	168,721	1,167,839	1,346,607	178,768
Healthy Communities & Injury Prevention	350,315	977,739	627,424	567,303	1,272,365	705,062
Office of the Director	146,058	209,236	63,178	212,974	272,516	59,542
Oral Health Programs	816,381	792,458	(23,923)	1,066,002	1,031,918	(34,084)
SFO-South West TCAN	123,352	340,592	217,240	208,550	447,858	239,308
Young Adult Team	924,016	882,260	(41,757)	1,209,508	1,148,143	(61,366)
Healthy Living Total	4,811,008	5,551,460	740,452	6,440,907	7,232,993	792,086
Healthy Start						
Early Years Community Health Promotion	849,234	886,950	37,716	1,086,635	1,154,265	67,630
Healthy Beginnings Visiting & Grp Programs	1,048,202	1,296,725	248,523	1,470,116	1,687,613	217,497
Healthy Families Home Visiting	597,904	678,255	80,351	835,343	883,893	48,550
Office of the Director	206,835	167,531	(39,304)	262,144	218,155	(43,989)
Healthy Start Total	2,702,174	3,029,461	327,286	3,654,239	3,943,927	289,688
Healthy Organization						
Communications	517,258	465,224	(52,033)	655,340	605,384	(49,956)
Finance	390,222	297,766	(92,456)	501,120	387,174	(113,946)
General - Main MLHU	(20,997,286)	(21,362,241)	(364,954)	(27,947,790)	(28,632,988)	(685,197)
Human Resources	770,269	664,270	(105,999)	1,002,894	863,841	(139,053)
Information Technology	1,110,587	1,150,177	39,591	1,491,128	1,522,128	31,000
Office of the Director	301,120	280,282	(20,837)	405,665	368,222	(37,443)
Procurement & Operations	206,316	152,693	(53,624)	253,629	198,508	(55,121)
Strategy, Risk & Privacy	218,675	345,858	127,183	329,206	449,909	120,703
Healthy Organization Total	(17,482,839)	(18,005,970)	(523,131)	(23,308,808)	(24,237,822)	(929,014)
(Surplus) / Deficit	(1,911,914)	605,190	2,517,104	(2,316,190)	1	2,316,191

Notes:

- These results are for MLHU only and exclude MLHU2 which are all 100% funded programs.

Schedule A.2 – COVID-19

Q3 Financials, ending September 30, 2022

<i>(revenue)/expenses</i>	Financials from Jan to			Full Year from Jan to Dec		
	Actual	Budget	fav / (unf)	Forecast	Budget	fav/(unf)
816, Immunization Covid Clinics						
Revenue						
Grant Revenue	(6,327,150)	(9,776,513)	(3,449,363)	(11,842,728)	(13,035,351)	(1,192,623)
Revenue Total	(6,327,150)	(9,776,513)	(3,449,363)	(11,842,728)	(13,035,351)	(1,192,623)
Expense						
Salary and Wages	5,695,851	4,983,097	(712,754)	7,676,844	6,478,026	(1,198,817)
Salary and Wages - OT	917,280	1,469,311	552,031	1,223,041	1,910,105	687,064
Benefits	806,210	742,816	(63,395)	1,029,055	965,660	(63,395)
Furniture & Equipment	1,074,340	1,226,094	151,754	1,483,038	1,634,791	151,754
Occupancy Costs	739,361	214,650	(524,711)	810,911	286,200	(524,711)
Other (Program) Costs	0	30	30	10	41	30
Program Supplies	215,785	430,656	214,871	359,337	574,207	214,871
Professional Services	328,884	803,219	474,335	596,624	1,070,959	474,335
Staff Development	5,342	321	(5,022)	5,449	427	(5,022)
Travel	10,058	86,201	76,142	38,792	114,934	76,142
Expense Total	9,793,112	9,956,394	163,282	13,223,100	13,035,351	(187,749)
816, Immunization Covid Clinics Total	3,465,962	179,881	(3,286,081)	1,380,372	(0)	(1,380,372)
818, Covid-19						
Revenue						
Grant Revenue	(4,410,450)	(11,819,657)	(7,409,207)	(8,028,734)	(15,759,543)	(7,730,809)
Revenue Total	(4,410,450)	(11,819,657)	(7,409,207)	(8,028,734)	(15,759,543)	(7,730,809)
Expense						
Salary and Wages	4,866,070	9,840,738	4,974,668	5,788,941	12,792,960	7,004,019
Salary and Wages - OT	1,006,204	0	(1,006,204)	1,347,995	0	(1,347,995)
Benefits	897,360	1,888,768	991,407	1,463,991	2,455,398	991,407
Furniture & Equipment	156,508	0	(156,508)	156,508	0	(156,508)
Interest Expense	(6,942)	15,000	21,942	(1,942)	20,000	21,942
Occupancy Costs	29,822	117,375	87,553	68,947	156,500	87,553
Other (Program) Costs	52,762	52,500	(262)	70,262	70,000	(262)
Program Supplies	2,275	142,939	140,664	49,921	190,585	140,664
Professional Services	1,005	45,000	43,995	16,005	60,000	43,995
Staff Development	0	1,950	1,950	650	2,600	1,950
Travel	398	8,625	8,227	3,273	11,500	8,227
Expense Total	7,005,464	12,112,895	5,107,431	8,964,553	15,759,543	6,794,990
818, Covid-19 Total	2,595,014	293,238	(2,301,776)	935,819	0	(935,819)
(Surplus) / Deficit	6,060,976	473,118	(5,587,857)	2,316,190	(0)	(2,316,190)

Schedule A.3 – Seniors Dental Program

Q3 Financials, ending September 30, 2022

<i>(revenue)/expenses</i>	Financials from Jan to Sep			Full Year from Jan to Dec		
	Actual	Budget	fav / (unf)	Forecast	Budget	fav/(unf)
Revenue						
Grant Revenue	(1,720,250)	(1,396,050)	324,200	(2,191,500)	(1,861,400)	330,100
Revenue Total	(1,720,250)	(1,396,050)	324,200	(2,191,500)	(1,861,400)	330,100
Expense						
Salary and Wages	184,154	389,487	205,333	506,334	506,334	0
Salary and Wages - OT	5,078	0	(5,078)	0	0	0
Benefits	48,011	103,254	55,243	78,987	134,230	55,243
Furniture & Equipment	6,060	124,377	118,317	47,519	165,836	118,317
Occupancy Costs	18,117	0	(18,117)	18,117	0	(18,117)
Program Supplies	29,454	96,000	66,546	61,454	128,000	66,546
Professional Services	396,256	686,250	289,994	625,006	915,000	289,994
Staff Development	0	1,500	1,500	500	2,000	1,500
Travel	127	7,500	7,373	2,627	10,000	7,373
Expense Total	687,257	1,408,368	721,111	1,340,543	1,861,400	520,856
(Surplus) / Deficit	(1,032,993)	12,318	1,045,311	(850,957)	(0)	850,956

Schedule A.4 – General Expense Details

Q3 Financials, ending September 30, 2022

	Financials from Jan to Sep			Full Year from Jan to Dec		
	Actual	Budget	fav / (unf)	Forecast	Budget	fav/(unf)
Office of the Medical Officer of Health						
Other (Program) Costs	461	4,830	4,369	2,071	6,440	4,369
Professional Services	4,897	5,250	353	6,647	7,000	353
Program Supplies	17,258	20,391	3,133	24,055	27,188	3,133
Staff Development	2,872	8,438	5,566	5,684	11,250	5,566
Travel	202	8,625	8,424	3,076	11,500	8,424
Office of the Medical Officer of Health Total	25,689	47,534	21,844	41,534	63,378	21,844
Office of the Chief Nursing Officer Division						
Other (Program) Costs	(38,500)	6,750	45,250	(36,250)	9,000	45,250
Professional Services	3,027	24,000	20,973	11,027	32,000	20,973
Program Supplies	3,651	6,235	2,584	5,729	8,313	2,584
Staff Development	269	6,000	5,731	2,269	8,000	5,731
Travel	0	4,500	4,500	1,500	6,000	4,500
Office of the Chief Nursing Officer Division Total	(31,553)	47,485	79,038	(15,725)	63,313	79,038
Environmental Health & Infectious Diseases						
Cost of Goods Sold	0	39,225	39,225	13,075	52,300	39,225
Furniture & Equipment	4,262	10,875	6,613	7,887	14,500	6,613
Other (Program) Costs	10,832	43,649	32,817	42,876	58,199	15,323
Professional Services	575,699	678,550	102,851	801,883	904,734	102,851
Program Supplies	209,465	329,794	120,329	319,396	439,725	120,329
Staff Development	7,434	12,709	5,275	11,670	16,945	5,275
Travel	21,377	62,830	41,453	42,320	83,773	41,453
Environmental Health & Infectious Diseases Total	829,070	1,177,632	348,562	1,239,108	1,570,176	331,068
Healthy Living						
Furniture & Equipment	0	11,026	11,026	3,675	14,701	11,026
Other (Program) Costs	2,240	37,309	35,069	14,676	49,745	35,069
Professional Services	5,067	21,919	16,851	12,374	29,225	16,851
Program Supplies	124,923	328,990	204,067	234,587	438,654	204,067
Staff Development	2,684	18,911	16,227	8,988	25,215	16,227
Travel	14,578	65,070	50,492	36,268	86,760	50,492
Healthy Living Total	149,493	483,225	333,732	310,568	644,300	333,732
Healthy Start						
Furniture & Equipment	112	1,125	1,013	487	1,500	1,013
Occupancy Costs	0	750	750	250	1,000	750
Other (Program) Costs	816	2,813	1,996	1,754	3,750	1,996
Professional Services	14,613	40,698	26,085	28,179	54,264	26,085
Program Supplies	15,557	68,870	53,312	38,514	91,826	53,312
Staff Development	505	14,719	14,214	5,411	19,625	14,214
Travel	7,148	40,628	33,480	20,690	54,170	33,480
Healthy Start Total	38,752	169,601	130,850	95,285	226,135	130,850
Healthy Organization						
Board Expenses	32,474	29,250	(3,224)	42,224	39,000	(3,224)
Furniture & Equipment	318,168	441,928	123,760	465,477	589,237	123,760
Interest Expense	177,593	194,481	16,888	242,420	259,308	16,888
Occupancy Costs	1,793,827	1,808,243	14,415	2,396,575	2,410,990	14,415
Other (Program) Costs	83,162	96,262	13,100	115,250	128,350	13,100
Professional Services	677,047	597,146	(79,901)	876,096	796,195	(79,901)
Program Supplies	163,099	84,116	(78,983)	191,138	112,155	(78,983)
Staff Development	35,405	64,666	29,261	56,961	86,222	29,261
Travel	1,827	13,845	12,018	6,442	18,460	12,018
Healthy Organization Total	3,282,602	3,329,938	47,335	4,392,582	4,439,917	47,335
Covid-19						
Furniture & Equipment	1,230,848	1,226,094	(4,755)	1,639,546	1,634,791	(4,755)
Interest Expense	(6,942)	15,000	21,942	(1,942)	20,000	21,942
Occupancy Costs	769,183	332,025	(437,158)	879,858	442,700	(437,158)
Other (Program) Costs	52,762	52,530	(232)	70,272	70,041	(232)
Professional Services	329,889	848,219	518,330	612,629	1,130,959	518,330
Program Supplies	218,060	573,594	355,534	409,258	764,792	355,534
Staff Development	5,342	2,271	(3,072)	6,099	3,027	(3,072)
Travel	10,457	94,826	84,369	42,065	126,434	84,369
Covid-19 Total	2,609,600	3,144,559	534,959	3,657,786	4,192,745	534,959
Total Expenses	6,903,653	8,399,973	1,496,320	9,721,138	11,199,964	1,478,826

Schedule B – Cashflow Schedule

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total	Budget
Opening Cash Balance	10,505,109	6,087,405	2,957,693	(135,998)	(464,604)	(2,707,972)	4,133,230	4,600,519	3,916,743	3,865,229	2,445,672	938,032	10,505,109	
Cash Receipts	2,944,209	3,142,787	3,484,629	3,050,117	2,914,835	11,221,889	4,285,101	4,801,938	4,504,261	3,407,584	3,407,584	13,094,225	60,259,160	
Cash Disbursements	(7,750,197)	(6,272,500)	(6,578,320)	(3,378,723)	(5,158,203)	(4,380,688)	(3,817,811)	(5,485,715)	(4,555,775)	(4,827,140)	(4,915,224)	(8,690,909)	(65,811,204)	
Ending Cash Balance	6,087,405	2,957,693	(135,998)	(464,604)	(2,707,972)	4,133,230	4,600,519	3,916,743	3,865,229	2,445,672	938,032	5,341,348	4,953,064	
Receipts:														
MOH Mandatory Programs	1,651,958	1,651,958	1,651,965	1,650,542	1,650,542	1,650,542	1,650,542	1,650,542	1,650,542	1,715,144	1,715,144	1,715,179	20,004,600	20,004,565
MOH Mitigation Funding	0	226,884	113,441	85,082	102,098	180,890	139,706	139,706	139,706	77,929	77,929	77,929	1,361,300	1,361,300
MOH Other Funding	6,686	6,686	6,689	6,040	6,040	997,788	72,156	72,156	72,156	72,156	72,156	72,156	1,462,865	392,300
Grant Income IPAC	0	0	292,986	0	0	0	0	270,068	0	0	0	0	563,054	292,986
City of London	558,714	665,414	612,067	612,067	612,067	612,067	612,067	612,067	612,067	612,067	612,067	612,061	7,344,792	7,344,798
County of Middlesex	108,942	0	108,942	228,723	0	239,563	239,563	119,782	119,782	119,782	119,782	119,782	1,404,861	1,404,859
100% Covid / Recovery						6,789,900	1,131,650	1,131,650	1,131,650			9,686,612	19,871,462	28,068,894
100% SFNI	184,250	184,250	184,250	60,500	157,300	254,100	254,100	183,340	183,340	183,340	183,340	183,340	2,195,450	726,000
100% Senior Dental Care Pgrm	155,116	155,116	155,118	155,116	155,116	237,640	182,624	182,624	182,624	182,627	182,627	182,627	2,108,975	1,861,400
Other Revenue (from Operations)	71,601	11,282	121,580	45,096	24,730	52,457	8,175	5,279	10,924	43,784	43,784	43,784	482,477	380,440
Discreet Programs (flow-thru)				0	0	0	0	108,000	0	147,220	147,220	147,220	549,659	562,798
MOH Other Funding														
Sub-Total - MLHU	2,737,266	2,901,590	3,247,037	2,843,166	2,707,893	11,014,947	4,051,020	4,594,995	4,102,791	3,154,049	3,154,049	12,840,690	57,349,494	62,400,340
100% - Public Health of Canada		34,254	30,649				27,138	0	194,527	11,854	11,854	11,854	322,130	322,130
100% - Public Health of Ontario		0	0				0	0	0	34,741	34,741	34,741	104,223	104,223
100% - MCCSS	206,943	206,943	206,943	206,951	206,942	206,942	206,943	206,943	206,943	206,940	206,940	206,940	2,483,313	2,483,313
Sub-Total - MLHU2	206,943	241,197	237,592	206,951	206,942	206,942	234,081	206,943	401,470	253,535	253,535	253,535	2,909,666	2,909,666
Total Cash Receipts	2,944,209	3,142,787	3,484,629	3,050,117	2,914,835	11,221,889	4,285,101	4,801,938	4,504,261	3,407,584	3,407,584	13,094,225	60,259,160	65,310,006
Budgeted Cash Receipts	5,442,503	5,442,503	5,442,503	5,442,503	5,442,503	5,442,503	5,442,503	5,442,503	5,442,503	5,442,503	5,442,503	5,442,473	65,310,006	65,310,006
Cash Disbursements:														
Salaries and Wages	2,564,116	1,214,457	2,502,303	1,315,156	1,794,800	1,559,259	1,524,737	1,591,213	2,632,970	1,628,190	1,628,190	1,628,190	21,583,580	21,360,216
Benefits	633,943	388,995	575,210	379,734	401,137	381,948	411,637	377,934	489,268	454,110	454,110	454,110	5,402,135	5,412,943
General Expenses	1,440,796	1,058,790	610,393	1,777,180	1,292,303	702,423	191,856	984,444	602,083	694,947	708,910	719,946	10,784,071	8,426,055
Covid / SFNI / Recovery	1,751,871	2,612,317	2,209,353	1,476,603	1,768,997	1,530,116	1,455,500	1,401,126	1,715,319	1,796,358	1,796,358	1,796,358	21,310,276	28,794,894
GAP	0	0	0	0	0	0	0	0	0	0	0	0	0	(1,593,768)
Sub-Total - MLHU	6,390,726	5,274,559	5,897,259	4,948,672	5,257,237	4,173,746	3,583,731	4,354,717	5,439,639	4,573,605	4,587,568	4,598,604	59,080,062	62,400,340
Sub-Total - MLHU2	206,943	241,197	237,592	206,951	206,942	206,942	234,081	206,943	401,470	253,535	253,535	253,535	2,909,666	2,909,666
Ministry Clawbacks/Prior Yr/Capital		1,054,677	(81,244)	(1,776,900)		0		(132,632)	(26,524)	0	324,121	3,838,770	3,200,268	
HST Paid/(Received)		(282,722)			(305,976)			(202,123)			(250,000)		(1,040,821)	
Changes in Working Capital	1,152,528	(15,211)	524,713					1,258,810	(1,258,810)				1,662,029	
Total Cash Disbursements	7,750,197	6,272,500	6,578,320	3,378,723	5,158,203	4,380,688	3,817,811	5,485,715	4,555,775	4,827,140	4,915,224	8,690,909	65,811,204	65,310,006
Budgeted Cash Disbursements	5,122,649	5,122,649	5,122,649	7,186,453	5,110,297	5,110,297	5,110,297	5,110,297	7,186,453	5,110,297	5,110,297	4,907,371	65,310,006	65,310,006

Schedule C – Factual Certificate

To: Members of the Board of Health, Middlesex-London Health Unit

The undersigned hereby certify that, to the best of their knowledge, information and belief after due inquiry, as at September 30, 2022:

1. The Middlesex-London Health Unit is compliant, as required by law, with all statutes and regulations relating to the withholding and/or payment of governmental remittances, including, without limiting the generality of the foregoing, the following:
 - All payroll deductions at source, including Employment Insurance, Canada Pension Plan and Income Tax
 - Ontario Employer Health Tax
 - And Federal Harmonized Sales Tax (HST).
 Further, staff believe that all necessary policies and procedures are in place to ensure that all future payments of such amounts will be made in a timely manner.
2. The Middlesex-London Health Unit has remitted to the Ontario Municipal Employees Retirement System (OMERS) all funds deducted from employees along with all employer contributions for these purposes.
3. The Middlesex-London Health Unit is compliant with all applicable Health and Safety legislation.
4. The Middlesex-London Health Unit is compliant with applicable Pay Equity legislation.
5. The Middlesex-London Health Unit has not substantially changed any of its accounting policies or principles since December 8, 2016.
6. The Middlesex-London Health Unit reconciles its bank accounts regularly and no unexpected activity has been found.
7. The Middlesex-London Health Unit has filed all information requests within appropriate deadlines.
8. The Middlesex-London Health Unit is compliant with the requirements of the Charities Act, and the return for 2021 has been filed.
9. The Middlesex-London Health Unit was named in a complaint to the Human Rights Tribunal of Ontario (HRTO) by a former student which was dismissed; this matter is now closed. MLHU has also been named in a second complaint to the HRTO by the same individual. This application is in respect to the recruitment of three management positions from 2017 and 2018 for which the individual was not selected for an interview. After significant delay related to COVID-19, the HRTO has offered mediation for this case; legal consultation is underway as a response is due to the HRTO by November 4th.

10. The Middlesex-London Health Unit has been named in a legal action with respect to 'Cali Nails' or 'the numbered company that operated Cali Nails' for damages arising from the Order to close for Infection Prevention and Control (IPAC) infractions, and the publication of the associated Closure Order. The claim alleges that, as the Order to close and the associated public notice that the IPAC infractions could lead to blood borne infections, this directly led to the drop in its business and the closure of the salon. Ultimately damages are being sought as a result. Legal proceedings are ongoing.

11. The Middlesex-London Health Unit is fulfilling its obligations by providing services in accordance with our funding agreements, the Health Protection & Promotion Act, the Ontario Public Health Standards, and as reported to the Board of Health through reports including but not limited to:
 - Quarterly Financial Updates
 - Annual Audited Financial Statements
 - Annual Reporting on the Accountability Indicators
 - Annual Service Plans
 - and Information Summary Reports.

Dated at London, Ontario this 3rd day of November 2022.

Dr. Alex Summers
Medical Officer of Health

Ms. Emily Williams
Chief Executive Officer



TO: Chair and Members of the Finance & Facilities Committee

FROM: Emily Williams, Chief Executive Officer

DATE: 2022 November 3

Proposed Adjustments to Reserves

Recommendation

It is recommended that the Finance & Facilities Committee recommend that the Board of Health approve contributing \$250,000 to the Technology & Infrastructure Reserve.

Key Points

- The request is to approve a contribution of \$250,000 to the Technology and Infrastructure Reserve using 2022 surplus municipal funds. This transfer to reserve was not budgeted.
- Policy G-250 states that “Any planned contribution and drawdown to the reserves or reserve funds will be included in the annual operating budget approved by the Board of Health”.
- Policy G-250 also states that “Any audited unexpended municipal funds are eligible for transfer to a reserve or reserve fund by resolution of the Board of Health subject to consultation with municipal councils”.

Background (aligned with Policy G-250 Reserve and Reserve Funds)

The **Technology and Infrastructure Reserve** was established to create a funding source for buildings and infrastructure capital projects, new equipment purchases, and capital replacement programs. Use of the reserve is restricted to the following types of purchases:

- Major construction, acquisition, or renovation activities as approved by the Board of Health.
- Major purchases of Information Technology software or hardware.
- Vehicle, furniture and/or equipment replacement.

The current balance of the Reserve is zero with the last balance noted in 2018 of \$1,250,000 which was depleted in 2019.

There is a \$2 million fund limit with maximum annual contributions of \$250,000.

Challenges and Risks

With the current IT infrastructure and number of users, it would be prudent to have funds available for the replacement of laptops and/or cell phones. These items are typically included in the operating budget, but it is getting increasingly difficult to set aside the funds required. A reserve would be beneficial and alleviate the stress related with finding funds to purchase much needed equipment.

Request

The request is to approve a contribution of \$250,000 to the Technology and Infrastructure Reserve using 2022 surplus municipal funds. This transfer to reserve was not budgeted.

Policy Compliance

Policy G-250 states that “Any planned contribution and drawdown to the reserves or reserve funds will be included in the annual operating budget approved by the Board of Health”. The drawdown will meet this requirement, but the contribution will not.

Policy G-250 also states that “Any audited unexpended municipal funds are eligible for transfer to a reserve or reserve fund by resolution of the Board of Health subject to consultation with municipal councils”. With the forecasted 2022 surplus, the contribution will meet this requirement. Staff initiated discussion with respective financial representatives from municipal partners and the establishment of reserves for these purposes was supported.

Related Risks

The Ministry has asked health units to direct surplus from mandatory programs to COVID-19 expenditures. Also, the contributions to reserves were not budgeted. The Ministry may object to the proposed contribution to reserves.

Next Steps

The Finance Team will follow the direction of the Board of Health in establishing reserve funds for the Technology and Infrastructure Reserve.

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



Emily Williams BScN, RN, MBA, CHE
Chief Executive Officer



MIDDLESEX-LONDON HEALTH UNIT

REPORT NO. 20-22FFC

TO: Chair and Members of the Finance and Facilities Committee

FROM: Emily Williams, Chief Executive Officer
Alexander Summers, Medical Officer of Health

DATE: 2022 November 3

PROPOSED 2023 BUDGET

Recommendation

It is recommended that the Finance and Facilities Committee recommend to the Board of Health to:

- 1) Approve the savings identified from the General Expense zero-based budgeting review in the amount of \$437,217;*
- 2) Approve the disinvestments in cell phones and students in the Vector Borne Disease Program; and*
- 3) Advise no further changes in programs and services until 2023 provincial base funding amounts are known.*

Key Points

- In response to high levels of uncertainty and significant inflationary pressures (\$897,000), the MLHU introduced new budget planning processes for 2023 which were approved by the Board of Health on October 20th, 2022.
- The new budget planning processes included the introduction of zero-based budgeting for General Expenses and the use of two frameworks to guide decision-making (the Public Health Program Pyramid and Critical Business Infrastructure frameworks).
- Program Budgeting Marginal Analysis (PBMA) is insufficient to meet the needs of the organization for budget planning purposes, and reductions in programs and services will be required if no further funding is received by the Health Unit.

Background

[Report No. 16-22FFC](#) outlined in detail the funding assumptions and pressures facing the MLHU for the 2023 budget year. Mitigation funding, to offset the proposed changes to cost-sharing between the province and the municipalities, and COVID-19 extraordinary funding have been confirmed by the province; however, information regarding 2023 base funding will not be available until early in the new year. The Senior Leadership Team (SLT) supported the recommendation of the Chief Executive Officer (CEO) to assume that provincial funding will remain flat to 2022 levels, and that requesting further municipal funding will exceed the planned level of contributions (30%), and is therefore not recommended at this time. Inflationary pressures (\$896,000) and other pressures, including the need to reduce the organizational gapping budget, add to a total organizational financial pressure of \$1,200,000 for 2023. A revised budget process was introduced, including a zero-based budgeting technique to review General Expenses, and two frameworks, the Public Health Program Pyramid and Critical Business Infrastructure framework, to guide leaders in determining which programs and services to disinvest.

2023 Proposed Budget

The zero-based budgeting review of General Expenses yielded savings of \$437,217. The budgeted amounts are aligned to historical actual spending and were adjusted in response to requests from the SLT. Reductions occurred across the organization, with the largest decreases in supplies, professional development funds, and program dollars. Other disinvestments include a planned reduction in cell phone usage (\$12,000), based on current utilization rates, and decreasing the number of summer students working in the Vector Borne Disease (VBD) program (\$22,000).

These disinvestments reduced the overall target to \$815,992. The two frameworks (Public Health Program Pyramid and Critical Business Infrastructure) were then applied by the respective leadership teams to identify potential reductions in programs and services. The SLT then reviewed these from a feasibility and impact perspective, including a review of the risk factors previously included in the PBMA process. Sufficient disinvestments have been identified to meet the financial target, but all of them have associated negative impacts to the organization and services provided by the Health Unit to the community of Middlesex-London.

Next Steps

Provincial funding is anticipated to be known in January 2023 which will heavily influence the outcome of the 2023 budget planning process. Staff are recommending implementation of the savings yielded from the zero-based budgeting process, reducing the amount of cell phones in the organization, and decreasing the number of students working in the VBD program in 2023. Staff are also recommending waiting for the funding announcement from the province prior to implementing any further changes to programs and services. In the meantime, leadership continues to advocate for additional funding from the province through participation in advocacy groups (alpha, COMOH) and directly with the Ministry of Health Funding and Oversight Branch.

This report was prepared by the Chief Executive Officer.



Emily Williams BScN, RN, MBA, CHE
Chief Executive Officer



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