



TO: Chair and Members of the Board of Health

FROM: Bryna Warshawsky, Acting Medical Officer of Health

DATE: 2012 December 13

2012 BUDGET – THIRD QUARTER REVIEW

Recommendation

It is recommended that Report No. 145-12 re “2012 Budget – Third Quarter Review” be received for information.

Key Points

- It is anticipated that programs which are cost shared with the obligated municipalities will generate an operating surplus of approximately \$220,000 after accounting for the \$181,230 shortfall created by lower than anticipated provincial revenues.
- 100% funded programs will generate operating surpluses of approximately \$270,000 which must be returned to the ministries that provide the funding.

3rd Quarter Review

The attached Budget Summary ([Appendix A](#)) shows actual and budgeted net expenditures for the nine-month period January 1st to September 30th, 2012. For the programs with a March 31st year-end, this report shows the actual and budgeted net expenditures for the six-month period April 1st to September 30th, 2012.

Cost-Shared Programs

The net budget for cost-shared programs for 2012 was Board approved at \$23,092,916. At the end of September, Cost-Shared Programs are reporting a favourable variance of \$1,018,867. The majority of this variance is explained by timing differences in salary payments and other payments, staff vacancies, and seasonal programming. Analysis of operating accounts to September 30th and projections to the year-end suggest that there will be an operating surplus of approximately \$400,000. Due to the lower than anticipated provincial grants of \$181,230 as identified in [Report No. 100-12](#) (2% increase instead of the anticipated 3% increase), the actual surplus will be closer to \$220,000.

Other 100% Funded Programs/Initiatives

For the programs with a December 31st year-end, the third quarter shows a favourable variance of \$380,821. Overall it is anticipated that these programs will also generate minor operating surplus by the end of the year. In particular, the Healthy Smiles Ontario program should generate an operating surplus of approximately \$185,000 due to a vacant Health Promoter position and slower than desired client access to the program in 2012. The Healthy Babies Healthy Children program will also post a modest operating

surplus of approximately \$85,000 from vacancies and from provincial funding for the implementation of the Nursing Child Assessment Satellite Training (NCAST) program.

For the programs with a March 31st year-end (i.e., speech and language-related programs), there currently is a favourable variance of \$146,277. At this time, it is not expected that these programs will generate significant favourable variances by March 31st, 2013.

Any operating surplus from the 100% funded program must be returned to the ministries that provided the funding.

Summary

It is projected the Health Unit's Cost-Shared programs will generate a modest operating surplus due to unanticipated vacancies. The Healthy Smiles Ontario program will generate a surplus due to a position vacancy, as well as lower than desired client up-take of the services. The Healthy Babies Healthy Children program will also post a modest operating surplus from vacancies and from provincial funding for the implementation of the Nursing Child Assessment Satellite Training (NCAST) program. It is also anticipated that the programs with a March 31st year-end will end that fiscal year in a break-even position.

Mr. John Millson, Director, Finance and Operations, will be in attendance at the December 13th Board meeting to address any questions regarding this report.



Bryna Warshawsky, MDCM, CCFP, FRCPC
Acting Medical Officer of Health

This report addresses - Policy No. 4-20 Expenditure Reports as outlined in the MLHU Administration Policy Manual.
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