



TO: Chair and Members of the Finance & Facilities Committee

FROM: Christopher Mackie, Medical Officer of Health

DATE: 2016 September 1

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## MIDDLESEX-LONDON HEALTH UNIT – MARCH 31<sup>ST</sup> DRAFT FINANCIAL STATEMENTS

### **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<sup>st</sup>, 2016 as appended to Report No. 030-16FFC.*

### **Key Points**

- Attached as [Appendix A](#) are the draft Consolidated Financial Statements for the Middlesex-London Health Unit relating to the programs with an operating year from April 1, 2015 to March 31, 2016.

### **Background**

A requirement of the Board of Health is to provide audited financial reports to various funding agencies for programs that are funded from April 1<sup>st</sup> to March 31<sup>st</sup> each year. The purpose of this audited report is to provide the agencies with assurance that the funds were expended for the intended purpose. The agencies use this information for 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 & Youth Services:

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

#### Ministry of Health & Long-Term Care:

- Healthy Communities Partnership Fund (payable to MOHLTC only)
- Panorama Implementation Project

#### Public Health Ontario:

- Library Shared Services

#### Government of Canada:

- Smart Start for Babies Programs
- FoodNet Canada

The above programs represent approximately \$3.5 million of the Middlesex-London Health Unit's total operating budget of \$34.9 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 June 2016. However the main audited statements included the program revenues and expenditures of these programs for the period of January 1<sup>st</sup> to December 31<sup>st</sup>, 2015, 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 2. Its purpose is to provide the current value of assets (cash and prepaid expenses) which are balanced with current liabilities (deferred revenue which is brought forward into the next operating year and is the accumulated amount that must be repaid to the funding agencies with the exception of the Shared Library Services).

The consolidated statement of operation can be found on page 3. 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 (98.3%) 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, \$3,207,998 (92.4%) relate to personnel costs. Program resources and public awareness account for \$136,165 (3.9%), and the remaining expenses (such as travel, office supplies, equipment, telephone, rent, etc.) account for \$129,069 (3.7%).

Combined the programs completed the operating year with a surplus of \$7,608 of which \$7,508 (98.7%) can be carried forward into the next operating year for purchasing resources for the Shared Library Services.

A breakdown by program can be found on pages 8 and 9 of [Appendix A](#).

This report was prepared by Mr. John Millson, Associate Director of Finance.



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