



Windsor-Essex County Health Unit Board of Health

INFORMATION REPORT

Prepared By: Finance Department
Date: June 15, 2023
Subject: Q1 2023 Financial Information

BACKGROUND

The Leadership Team of the Windsor-Essex County Health Unit (“the WECHU”) monitors financial results on an on-going basis for the following programs:

- Mandatory Programs funded to a maximum of 70% (“Cost-Shared”) by the Ministry of Health (“MOH”) and 30% by the Corporation of the City of Windsor, the Corporation of the County of Essex, and the Corporation of the Township of Pelee (hereinafter referred to as the “Obligated Municipalities”).
- Related programs funded 100% by the MOH. More specifically, this includes the Ontario Seniors Dental Care program and the AMOH/MOH Compensation Initiative.
- Related programs funded 100% by the Ministry of Children, Community and Social Services (“MCCSS”).
- One-time business cases funded 100% by the MOH.

The first quarter financial report to the Board of Health includes a budget to actual comparison and narrative for material variances for all programs listed above, except related programs funded 100% by the MCCSS. Forecasted financial results shall be reported to the Board of Health in September of 2023.

2023 MANDATORY PROGRAM BUDGET

The following is the financial information for the Mandatory Programs funded on a cost-shared basis for the period January 1, 2023, to March 31, 2023.

	2023 BUDGET	YTD 2023 BUDGET	YTD 2023 ACTUAL	VARIANCE
SALARIES AND EMPLOYEE BENEFITS	19,213,856	4,803,464	4,190,079	613,385
OTHER OPERATING EXPENDITURES:				
ASSOCIATION AND MEMBERSHIP FEES	48,925	12,231	6,529	5,702
MILEAGE	254,925	63,731	35,502	28,229
PROFESSIONAL DEVELOPMENT	92,560	23,140	16,026	7,114
TRAVEL AND MEETINGS	37,000	9,250	1,482	7,768
ADVERTISING	3,600	900	-	900
BANK CHARGES	6,000	1,500	975	525
BOARD	19,171	4,793	-	4,793
OFFICE EQUIPMENT	77,000	19,250	15,215	4,035
OFFICE SUPPLIES	30,000	7,500	8,477	(977)
POSTAGE AND FREIGHT	35,000	8,750	17,141	(8,391)
PROFESSIONAL FEES:				
PROGRAM - DENTISTRY	50,000	12,500	-	12,500
PROGRAM - LEGAL	15,000	3,750	-	3,750
CORPORATE - LEGAL	175,000	43,750	30,615	13,135
CORPORATE - AUDIT	15,500	3,875	-	3,875
CORPORATE - CONSULTING	6,700	1,675	43,248	(41,573)
SUPPLIES:				
PROGRAMS	1,222,177	305,544	262,800	42,744
CORPORATE	717,257	179,314	314,302	(134,987)
PURCHASED SERVICES:				
PROGRAMS	110,054	27,514	32,174	(4,660)
CORPORATE	103,526	25,882	47,031	(21,149)
BUILDING MAINTENANCE	161,500	40,375	40,246	129
INSURANCE	227,000	56,750	226,885	(170,135)
PARKING	60,000	15,000	10,898	4,102
PROPERTY TAXES	217,000	54,250	55,310	(1,060)
RENT	697,000	174,250	170,204	4,046
SECURITY	38,298	9,575	8,816	759
TELEPHONE	137,000	34,250	26,789	7,461
UTILITIES	148,000	37,000	19,927	17,073
VEHICLE	3,700	925	225	700
TOTAL OTHER OPERATING EXPENSE	4,708,893	1,177,224	1,390,817	(213,593)
TOTAL EXPENSES	23,922,749	5,980,688	5,580,896	399,792
OFFSET REVENUE	(493,867)	(123,467)	(264,472)	141,005
TOTAL NET EXPENSES	23,428,882	5,857,221	5,316,424	540,797

At March 31, 2023, the variance from budget to actual total expenses amounts to \$540,797. Specific variances are as follows:

- **Salaries and Benefits:** Expenditures in this financial caption relate to salaries and benefits paid to the WECHU staff in service of the Mandatory Programs. At March 31, 2023, this financial caption is has a favourable budget variance of \$613,385. These favourable variances are attributed to the following:
 - Favourable budget variances associated with timing of recruitment of positions of approximately \$555,174.
 - Pay increases for employees represented by the Canadian Union for Public Sector Employees were deferred until such time as their collective bargaining agreement was ratified in April of 2023. Total retroactive increases paid in Q2, 2023, relating to Q1, 2023, amounted to \$58,211.
- **Association and Membership Fees, Mileage, Professional development, and Travel and meetings:** Expenditures in these financial captions support WECHU staff in the completion of their public health responsibilities. At March 31, 2023, these financial captions have a cumulative favourable budget variance of \$48,813. The timing of these expenditures typically does not occur uniformly throughout the fiscal year.
- **Office supplies:** Expenditures in this financial caption support the acquisition of office supplies for Mandatory Programs. At March 31, 2023, this financial caption has an unfavourable budget variance of \$977. This budget shall be monitored closely for the remainder of the fiscal year to ensure it remains in budget.
- **Postage and freight:** Expenditures in this financial caption support postage and courier costs for the Mandatory Programs. At March 31, 2023, this financial caption has an unfavourable budget variance of \$8,391. In Q1 2023, \$15,000 of postage was acquired to support the postage requirements of the Mandatory Programs, in particular a mailer for the Healthy Schools Program (ISPA). As at the writing of this report, and given the current postage inventories, it is anticipated that this financial caption will remain in budget for 2023.
- **Professional Services (All):** Expenditures in these financial captions include professional services acquired to support Public Health Programs as well as corporate requirements. At March 31, 2023, these financial captions have a cumulative unfavourable budget variance of \$8,313 which is attributed to the following:
 - Unfavourable budget variance of \$41,573 in *Consulting*. The 2023 Budget for Consulting contemplated services to be rendered by the WECHU's actuary for the preparation of annual actuarial valuations and/or extrapolations for the 2023 year-end audit. Year-to-date actual expenditures include the fees paid on account of professional services rendered by the Acting Medical Officer of Health of \$43,248 for Q1, 2023. Favourable budget variances in the *Salaries and benefits* financial caption, more specifically relating to Administration, offset this overage.
 - Favourable budget variances of \$33,260 in *Dentistry, Legal and Audit*. The timing of these expenditures typically does not occur uniformly throughout the fiscal year.
- **Supplies (All):** *These financial captions include expenditures to support Public Health Programs as well as corporate departments such as Epidemiology and Evaluation, Planning and Strategic Initiatives, Human Resources, Finance, Information Technology and Facilities. At March 31, 2023, these financial captions have a cumulative unfavourable budget variance of \$92,244. Similar to Professional Services, the timing of these expenditures typically does not occur uniformly throughout the fiscal year. Notable purchases for the Information Technology Department in Q1, 2023 include:*
 - *Acquisition of licensing for document management system (M-files) of \$108,672.*
 - *Acquisition of support to update the document management system maintenance (i.e., server upgrade, workflow clean up) of \$23,819.*
 - *Acquisition of the Windsor Office Storage appliance of \$35,106.*
- **Purchased Services, Program and Corporate:** Expenditures for these financial captions include services rendered by a third party in direct support of Public Health Programs or Corporate departments such as Epidemiology and Evaluation, Planning and Strategic Initiatives, Human Resources, Finance, Information Technology and Facilities. At March 31, 2023, the cumulative unfavourable variance is \$25,809 which is primarily attributed to project management fees to support the Windsor Office Redevelopment Project of \$47,031. As noted in the 2023 Budget, twenty-five (25) percent of these costs were budgeted for. The

WECHU has put forward a request for one-time funding to support project management costs for 2023 in excess of budget.

- *Insurance:* Expenditures in this financial caption include costs associated with general liability insurance, property insurance, director, and office insurance coverage as well as cyber coverage. Insurance premiums are paid at the beginning of the year. The WECHU anticipates that this financial statement caption will maintain a favourable budget variance of \$115 for fiscal 2023.
- *Property taxes:* Expenditures in this financial caption include property taxes for the Windsor and Leamington offices. Windsor property taxes are paid on an installment basis, six (6) times per calendar year while Leamington's taxes are paid monthly. At March 31, 2023, this financial caption has an unfavourable budget variance of \$1,060, due to the timing. The WECHU anticipates that this financial caption will remain within budget for fiscal 2023.

MANDATORY FUNDING

As reported to the Board of Health in April of 2023, the Annual Service Plan and Budget Submission was submitted to the MOH on April 1, 2023. As at the writing of this report, the WECHU has not received its 2023 funding approval from the MOH. Details of funding received to March 31, 2023, on account of the Mandatory Program is detailed below:

	2023 BUDGET	YTD 2023 BUDGET	YTD 2023 ACTUAL	VARIANCE
MANDATORY PROGRAM FUNDING - MOH	16,302,915	4,075,729	4,035,366	40,363
CONTRIBUTIONS FROM OBLIGATED MUNICIPALITIES:				
CITY OF WINDSOR	3,870,192	967,548	1,267,740	(300,192)
COUNTY OF ESSEX	3,251,899	812,975	541,984	270,991
TOWNSHIP OF PELEE	3,876	969	-	969
TOTAL CONTRIBUTIONS FROM OBLIGATED MUNICIPALITIES	7,125,967	1,781,492	1,809,724	(28,232)
TOTAL MANDATORY PROGRAM FUNDING	23,428,882	5,857,221	5,845,090	12,131

The Mandatory program funding budget for 2023 anticipated a one (1) percent increase in base funding over 2022.

The net favourable budget variance in the Contributions from Obligated Municipalities of \$28,232, resulted from timing differences in the receipt of contributions.

OFFSET REVENUE

Offset revenue at March 31, 2023, is \$264,472 is detailed below:

	2023 BUDGET	YTD 2023 BUDGET	YTD 2023 ACTUAL	VARIANCE
VACCINATION REIMBURSEMENT	73,000	18,250	19,230	(980)
SALE OF CONTRACEPTIVES	4,000	1,000	85	915
FOOD HANDLER COURSES AND USER FEES	16,060	4,015	1,724	2,291
INSPECTION FEES - BUNKHOUSES	74,940	18,735	24,683	(5,948)
INTEREST	-	-	13,217	(13,217)
PARKING REVENUE	27,000	6,750	7,511	(761)
SALE OF TANGIBLE CAPITAL ASSETS	5,000	1,250	1,373	(123)
OFFSET-BUILDING OCCUPANCY	129,624	32,406	32,406	-
OTHER GRANTS	164,243	41,061	164,243	(123,182)
	493,867	123,467	264,472	(141,005)

The favourable variance from budget at March 31, 2023, is primarily attributed to the following:

- Other grants – The WECHU received a High Priority Communities Fund Grant of \$164,243, of expenses incurred for the period January 1, 2023, to March 31, 2023, to support the Urgent Care Public Health Needs Site at 101 Wyandotte.
- Interest – The WECHU earned interest revenue of \$13,217, on account of their average outstanding bank balance for the period January to March 2023.
- Inspection fees – Bunkhouses – The WECHU earned \$24,683, on account of inspections of bunkhouses. This represents approximately 321 inspection fees charged.

COVID-19 PROGRAM

	2023	YTD 2023	YTD 2023	
	BUDGET	BUDGET	ACTUAL	VARIANCE
SALARIES AND EMPLOYEE BENEFITS	4,931,638	1,232,910	632,219	600,691
OTHER OPERATING EXPENSES:				
TRAVEL	58,651	14,663	4,628	10,035
PROGRAM SUPPLIES:				
COMMUNICATION AND AWARENESS	7,123	1,781	596	1,185
MEDICAL	147,763	36,941	164	36,777
PERSONAL PROTECTIVE EQUIPMENT	126,620	31,655	-	31,655
OTHER	31,957	7,989	2,815	5,174
TELEPHONE	14,320	3,580	1,417	2,163
PURCHASED SERVICES:				
OTHER	154,300	38,575	25,600	12,975
SHARPS DISPOSAL	24,422	6,106	-	6,106
TRANSLATION AND INTERPRETION	54,442	13,611	1,770	11,841
TRANSPORTATION	15,835	3,959	3,450	509
LEGAL	25,000	6,250	7,659	(1,409)
TOTAL OTHER OPERATING EXPENSES	660,433	165,110	48,098	117,011
TOTAL EXPENSES	5,592,071	1,398,020	680,318	717,702

The COVID-19 Program supports activities to prevent, monitor, detect and contain COVID-19, as well as the administration and distribution of COVID-19 vaccines in Windsor and Essex County. The COVID-19 Program budget for 2023 supported the 50.63 FTEs, more specifically:

Category	2023
Director	0.75
Manager	2.13
Coordinator	2.00
Public Health Nurse	19.00
Registered Practical Nurse	17.75
Public Health Inspector	2.50
Epidemiologist	1.00
Health Promotion Specialist	1.00
Financial Analyst	1.00
System Support	0.50
Support Staff	3.00
Total	50.63

Significant variances from budget at March 31, 2023, are as follows:

- *Salaries and benefits:* At March 31, 2023, Salaries and benefits have a favourable budget variance of \$600,691 as fewer human resources dedicated time to supporting COVID-19 related activities. A more detailed analysis will be reported with the Q2 financial report to the Board of Health.
- *Program supplies:* At March 31, 2023, Program supplies has a favourable budget variance of \$76,954. The 2023 COVID-19 Program budget contemplated the acquisition of medical supplies and personal protective equipment to support COVID-19 vaccinations. This was due in part to the fact that the MOH was discontinuing the provision of vaccine administration supplies free-of-charge with vaccine deliveries. At March 31, 2023, the WECHU continues to have sufficient vaccine administration supplies to address demand.
- *Purchased services:* At March 31, 2023, Purchased services has a favourable budget variance of \$30,022 due to lower than anticipated usage of services such as translation, interpretation, call centre support, and transportation related to delivery of COVID-19 vaccinations.

ONTARIO SENIORS DENTAL CARE PROGRAM

	2023 BUDGET	YTD 2023 BUDGET	YTD 2023 ACTUAL	VARIANCE
SALARIES AND EMPLOYEE BENEFITS	2,173,915	543,479	334,949	208,530
OTHER OPERATING EXPENSES:				
ASSOCIATION AND MEMBERSHIP FEES	2,000	500	-	500
BUILDING OCCUPANCY	129,624	32,406	32,406	-
MILEAGE	18,000	4,500	2,286	2,214
PROFESSIONAL DEVELOPMENT	10,000	2,500	-	2,500
PROGRAM SUPPLIES AND OTHER:				
BANK CHARGES	1,000	250	73	177
CLINICAL AND OTHER SUPPLIES	290,000	72,500	25,335	47,165
INFORMATION TECHNOLOGY	97,925	24,481	-	24,481
OFFICE SUPPLIES	4,000	1,000	322	678
PURCHASED SERVICES:				
PROFESSIONAL SERVICES	300,000	75,000	96,355	(21,355)
SECURITY	12,288	3,072	654	2,418
TRANSLATION	30,000	7,500	471	7,029
TRAVEL AND MEETINGS	4,000	1,000	-	1,000
TOTAL OTHER OPERATING EXPENSES	898,837	224,709	157,902	66,807
OFFSET REVENUE	-	-	(1,698)	1,698
TOTAL EXPENSES	3,072,752	768,188	491,153	277,035

The Ontario Seniors Dental Care Program (OSDCP) budget supports 21.25 FTEs, more specifically:

Category	2023
Director	0.25
Manager	1.50
Dentists	2.00
Denturist	1.00
Health Promotion Specialist	0.50
Dental Hygienist	7.00
Dental Assistant	7.00
Support Staff	2.00
Total	21.25

Significant variances from budget at March 31, 2023, are as follows:

- *Salaries and benefits:* At March 31, 2023, Salaries and benefits have a favourable budget variance of \$208,530, as additional staff recruitment (dental assistants, dental hygienists, denturist), in excess of the 2022 Budget is being deferred until such time as the 2023 funding approval has been received from the MOH.
- *Clinical supplies and other:* At March 31, 2023, Clinical supplies and other has a favourable budget variance of \$47,165. The timing of these expenses does not occur uniformly throughout the fiscal year.
- *Information technology:* At March 31, 2023, Information Technology, has a favourable budget variance of \$24,481. The 2023 OSDCP Budget contemplated a budget for hardware replacement, licenses for Office 365 for staff assigned to the Program and implementation of a new dental records management system. At March 31, 2023, nil has been incurred, or charged to the Program (in the case with Office 365 licensing). The WECHU is awaiting approval of the 2023 funding or favourable budget variances from other operating lines to execute these expenditures.
- *Professional services:* At March 31, 2023, the Professional services have an unfavourable budget variance of \$21,355. To address client waiting lists, the WECHU has implemented temporary measures to outsource professional services to oral health professionals in Windsor and Essex County. It is anticipated that this financial caption will be overspent at December 31, 2023. The WECHU has communicated this to the MOH and will ensure that the Q2 financial report includes a forecast of the amount to be spent for the remainder of 2023. Although not certain, it is anticipated that a one-time funding process will be available in the latter part of 2023 to address operational pressures for this program similar to 2021 and 2022.

FINANCIAL INFORMATION ONE-TIME BUSINESS CASES FUNDED 100% BY THE MOH

PROGRAMS	2022/23 APPROVAL	YTD ACTUAL 03 31 2023	VARIANCE TO BUDGET
MANDATORY PROGRAMS:			
PUBLIC HEALTH INSPECTOR PRACTICUM	40,000	40,000	-
NEEDLE EXCHANGE	19,000	19,000	-
SCHOOL-FOCUSED NURSES INITIATIVES	1,893,700	1,893,700	-
TEMPORARY RETENTION INCENTIVE FOR NURSES	306,400	292,613	13,787
TOTAL EXPENSES	2,259,100	2,245,313	13,787

Note: All funding approvals are for the period April 1, 2022, to March 31, 2023.

Public Health Inspector Practicum Program: This one-time funding supports the hiring of four Public Health Inspector Practicum positions. Eligible costs include student salaries, wages and benefits, transportation expenses associated with practicum positions. At March 31, 2023, this funding was fully expended.

Needle Exchange Program: This one-time funding supports extraordinary costs associated with delivering the Needle Exchange Program. Eligible costs include purchase of needles/syringes, associated disposal costs, and other operating costs. At March 31, 2023, this funding was fully expended.

School-Focused Nurses Initiative: This supports nursing FTEs to creating additional capacity to provide rapid-response support to school boards and schools, facilitating public health and preventative measures related to the COVID-19 Pandemic. Additionally, these FTEs provide additional support to fulfillment of Board of Health requirements to improve the health of school-aged children and youth per the School Health Program and related guidelines and protocols under the Ontario Public Health Standards. The additional FTEs may also support childcare centres, home childcare premises and other priority settings related to the health of school aged children and youth. At March 31, 2023, this funded was fully expended.

Temporary Retention Incentive for Nurses: This one-time funding was introduced as a temporary financial incentive to support nursing retention and stabilize the current nursing workforce. This represents the second part of the funding under this initiative paid to nurses that remained in the employ of the WECHU on September 1, 2022. At March 31, 2023, \$292,613 was expended.