
EXPLANATIONS / COMMENTARY

TITLE Toronto Public Health

A. Explanation of Significant Variances

I. Consulting Costs

Not applicable.

II. Utility Costs

TPH had a favourable variance of \$110.2 thousand, of which \$93.2 thousand was attributable to Animal Services due to lower than anticipated costs and consumption of hydro, natural gas, and water.

III. Other Expenditures

Overall, under-expenditures of \$13.8 million or 6.5 percent in Other Expenditures (excluding Utility Costs) are attributable to the following:

a) \$12.0 million gross underspending in cost-shared programs due to the reduction in 2006 provincial grant as the Province indicated in March 2006 that it will work within a more constrained funding envelope for public health units in Ontario than was assumed in the 2006 Council approved budget. In addition, TPH delayed hiring and spending decisions pending receipt of a final approval of the mandatory cost-shared grant from the Province. TPH received the final approval in January 2007.

b) \$1.0 million gross underspending in 100 percent provincially funded programs because of additional funding approval received late in the year from the Province for Healthy Babies Healthy Children, Pre-school Speech and Language, and Infant Hearing programs. The unspent balance of \$0.6 million will be carried forward to the 2007 Operating Budget.

c) \$0.6 million gross underspending due to the delays in implementing the two revenue generating programs: Dog and Cat Licensing Strategy and Mandatory Food Handler Training.

d) \$0.3 million gross primarily due to the delays in completing the capital project Animal Online License Renewal and PHIPA System Compliance. The unspent balance will be carried forward to the 2007 Operating Budget.

IV. Revenue

Actual revenue was below budget by \$9.2 million or 6.2 percent mainly due to the following:

a) \$8.3 million underachievement is due to the matching provincial revenue as a result of under-expenditures in cost-shared programs and 100 percent provincially funded programs.

b) \$0.6 million underachievement of other revenues from fees collection due to delays in implementing the two revenue generating programs: Dog and Cat Licensing Strategy and Mandatory Food Handler Training.

c) \$0.3 million underachievement of transfer funds from capital due to delays in completing the capital projects of Animal Online License Renewal and PHIPA System Compliance.

V. Staff Positions

TPH delayed hiring on many of the new approved positions due to the Province's announcement that it will work within a more constrained envelope of funding for public health units in Ontario than previously indicated.

B. Concise Summary for Inclusion in the Consolidated Corporate Report

(Include pertinent information that best explains the year-end variances)

For the twelve-month period ending on December 31, 2006, TPH achieved a favourable variance of \$13.9 million gross or 6.6 percent and \$4.7 million net or 7.3 percent in the 2006 Operating Budget. The positive preliminary year-end variance was due to the planned under-spending in cost-shared programs as a result of the five percent growth limitation announced by the Province, the late approval of additional grants in 100 percent provincially funded programs, and delays in completing the capital project and in fully implementing new revenue generating programs.

C. Impact of Variances

(Identify services and activities affected)

Delays in spending due to the uncertainty in provincial funding and receipt of additional funding late in the year for some 100 percent provincially funded programs reduced the level of service delivery to the communities.

D. Corrective Action

(Identify action taken and impact on 2006 budget)

TPH management has taken actions to closely monitor the actual expenditures and budget by funding source. Monthly detailed analysis and reviews of the operating budget results have been established to better manage the budget in alignment with funding sources and to ensure available resources are fully utilized to meet public health needs.

E. Other

*(Include any other pertinent information, e.g., relevant operating **performance measures**, etc.)*

Nil.