



## STAFF REPORT INFORMATION ONLY

### Toronto Public Health Operating Budget Variance Report for the Nine Months ended September 30, 2009

<b>Date:</b>	October 21, 2009
<b>To:</b>	Board of Health
<b>From:</b>	Medical Officer of Health
<b>Wards:</b>	All
<b>Reference Number:</b>	

#### SUMMARY

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This report provides an update to the Board of Health on Toronto Public Health's (TPH) Operating Budget Variance for the nine months of operation ending on September 30, 2009.

Toronto Public Health's operating budget was under spent by \$86.1 thousand net or 0.3 percent for the nine-month period ending on September 30, 2009.

TPH gross expenditures were below budget by \$9,275.2 thousand or 6.0 percent, attributable to the underspending of \$2,385.8 thousand in Salaries and Benefits and \$6,889.4 thousand in non-payroll. Revenue was underachieved by \$9,198.1 thousand or 7.4 percent due to under-expenditures in provincial cost shared and fully funded programs, including Children in Need of Dental Treatment (CINOT) Expansion.

At year-end, TPH expects to be underspent due a delay in implementing the CINOT Expansion. The H1N1 outbreak response in the last quarter of the year is not expected to have a net impact on TPH's financial results for the year.

## Financial Impact

	YEAR-TO-DATE AT SEPTEMBER 30, 2009				PROJECTIONS TO YEAR-END			
	ACTUAL	BUDGET	OVER/(UNDER)		ACTUAL	BUDGET	OVER/(UNDER)	
	(\$000s)	(\$000s)	(\$000s)	%	(\$000s)	(\$000s)	(\$000s)	%
Gross Expenditure	145,302.9	154,578.0	(9,275.2)	(6.0)	217,048.5	221,048.5	(4,000.0)	(1.8)
Revenue	115,443.7	124,632.7	(9,189.1)	(7.4)	173,229.4	177,229.4	(4,000.0)	(2.3)
<b>Net Expenditure</b>	<b>29,859.2</b>	<b>29,945.3</b>	<b>(86.1)</b>	<b>(0.3)</b>	<b>43,819.2</b>	<b>43,819.2</b>	<b>0.0</b>	<b>0.0</b>

The Deputy City Manager and Chief Financial Officer has reviewed this report and agrees with the financial impact information.

## COMMENTS

The TPH 2009 Operating Budget is \$221,048.5 thousand gross and \$43,819.2 thousand net.

Expenditures were under budget by \$9,275.2 thousand gross (6.0 percent) and \$86.1 thousand net (0.3 percent) respectively as of September 30, 2009. Explanations of the variances in both gross expenditures and revenues and a summary of corrective actions are outlined below.

### Gross Expenditures

Toronto Public Health's gross under spending of \$9,275.2 thousand or 6.0 percent is comprised of the following:

Salaries and Benefits were \$2,385.8 thousand or 2.2 percent less than budget. Gapping was on target at 4.3 percent for cost shared and City funded programs, however 100 percent provincially funded programs were under spent by \$1,400.0 thousand due to savings achieved during the labour disruption. Salaries and benefits funded by capital projects were under spent by \$955.0 thousand. Additional overtime expense was incurred to effectively deal with the H1N1 response in the 2nd and 3rd quarters. Savings in cost shared and City funded programs due to the labour disruption were recovered by the City. Monthly analysis and review of the complement results has helped in maintaining staffing levels within approved budget and in utilizing available resources to meet public health needs.

Non-payroll expenditures were \$6,908.5 thousand or 4.5 percent, under budget across various provincially cost shared and fully funded programs including the expansion of the CINOT Program which was under spent by \$3,536.2 thousand due to delays in implementation. The delay in spending the non payroll budget was primarily due to the labour disruption and the planning for H1N1 outbreak response in the 2nd and 3rd quarters.

## Revenue

Actual revenue was lower than budget by \$9,189.1 thousand or 7.4 percent driven by the under spending in the following: (i) under spending in cost shared and fully funded programs resulting in an unfavourable variance in provincial revenues, and (ii) the delay in implementing the CINOT Expansion.

## Conclusion

TPH continues to monitor the staff complement and work with program managers and Human Resources closely to identify and address recruitment and staffing process issues. Monthly analysis and review of the complement results are in place to manage and utilize available resources to meet public health needs. At year-end, TPH expects to be underspent by \$4,000.0 thousand gross and \$0.0 net due to delays in implementing the CINOT Expansion. The H1N1 outbreak response in the last quarter of the year is not expected to have a net impact on TPH's financial results for the year.

## CONTACT

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## SIGNATURE

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Dr. David McKeown  
Medical Officer of Health

## ATTACHMENTS

Attachment 1 – TPH Operating Variance Submission for the Nine Months ended September 30, 2009