



**STAFF REPORT  
INFORMATION ONLY**

**Toronto Public Health Operating Budget Variance for the  
Five Months ended May 31, 2014**

<b>Date:</b>	July 31, 2014
<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 five months ending on May 31, 2014. Reporting for this period rather than to the end of six months is to ensure that the Board and City Council have the most current information and that proper spending authorities are in place between the final Council meeting and the municipal election on October 27, 2014.

Toronto Public Health’s operating budget was under spent by \$189.5 thousand net or 1.1 percent for the five month period ending on May 31, 2014.

TPH gross expenditures were under 2014 approved budget by \$2,914.8 thousand or 3.3 percent, attributable to the under spending of \$1,616.0 thousand in Salaries and Benefits and under spending of \$1,298.8 thousand in non payroll. Revenue was underachieved by \$2,725.3 thousand or 3.9 percent mainly due to under spending across various provincially cost shared and fully funded programs. At year end, TPH expects to be under spent by \$482.8 thousand net or 0.9 percent.

**Financial Impact**

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

**DECISION HISTORY**

This report provides an update to the Board of Health on Toronto Public Health’s Operating Budget Variance for the five months of operation ending on May 31, 2014.

At its meeting of June 10th and 11th, 2014, City Council approved the realignment of services in the TPH Program Map from fourteen services as approved in the 2014 Operating Budget to six services.

<http://app.toronto.ca/tmmis/viewAgendaItemHistory.do?item=2014.EX42.24>

## COMMENTS

Toronto Public Health's 2014 approved Operating Budget is \$246,258.6 thousand gross and \$52,764.2 thousand net.

	AS OF MAY 31, 2014				AS OF DECEMBER 31, 2014			
	ACTUAL	BUDGET	VARIANCE		ACTUAL	BUDGET	VARIANCE	
			OVER (UNDER)				OVER (UNDER)	
	(\$000s)	(\$000s)	(\$000s)	%	(\$000s)	(\$000s)	(\$000s)	%
<b>Gross Expenditure</b>	84,498.5	87,413.3	(2,914.8)	(3.3)	241,204.0	246,258.6	(5,054.6)	(2.1)
<b>Revenue</b>	66,954.5	69,679.8	(2,725.3)	(3.9)	188,922.6	193,494.4	(4,571.8)	(2.4)
<b>NET EXPENDITURE</b>	17,544.0	17,733.5	(189.5)	(1.1)	52,281.4	52,764.2	(482.8)	(0.9)

Expenditures were under budget by \$2,914.8 thousand (3.3 percent) and revenues were under achieved by \$2,725.3 thousand (3.9 percent) respectively as of May 31, 2014. Explanations of the variances in both gross expenditures and revenues are outlined below.

### (1) Gross Expenditures

Toronto Public Health's year to date gross under spending is \$2,914.8 thousand or 3.3 percent. The gross under spending in cost shared programs is \$1,023.2 thousand, in 100 percent provincially funded programs is \$1,155.2 thousand and in City funded and Capital programs is \$736.4 thousand.

Salaries and Benefits were \$1,616.0 thousand or 0.9 percent less than the expenditures budget. The annual benefit budget is overstated by approximately \$1,200.0 thousand resulting in a YTD favourable variance of \$436.0 thousand in benefits. The variance excluding overstated benefits resulted in actual YTD gapping of 6.7 percent versus the TPH gapping target of 5.1 percent or a difference of 1.6 percent for the overall TPH program.

The gapping rate achieved year to date is lower by 1.9 percent compared to 2013 year-end.

Non-payroll expenditures were under spent by \$1,298.8 thousand gross or 6.3 percent less than non-payroll budget across various programs. Some of the under spent items include: medical supplies; advertising and promotion; and translation and interpretation services. The non-payroll budget is expected to be fully spent by year-end.

### (2) Revenue

Actual revenue was lower than budget by \$2,725.3 thousand or 3.9 percent mainly due to lower revenues recovered due to under spending in fully funded and cost-shared provincial programs and lower revenue recovery for capital projects due to under spending in salaries and benefits.

**(3) Net Impact**

Net under-spending year to date is \$189.5 thousand. At year end, TPH expects to be under spent by \$482.8 thousand net or 0.9 percent.

**(4) Realignment of Public Health Services**

At the meeting on June 10th and 11th, 2014, City Council approved a change in the TPH program map for City budget planning. The program map for Toronto Public Health has been refined to six services from fourteen as approved in the 2014 Approved Operating Budget. The six services are consistent with the five program areas and the foundational standard outlined in the Ontario Public Health Standards. This change facilitates City's on-going service reporting requirements, and provides the structure for the City's 2015 Operating Budget submission. There are no financial or service implications resulting from this budget format realignment.

Below is the 2014 approved operating budget by the six services:

<b>SERVICE</b>	<b>GROSS (\$000s)</b>	<b>NET (\$000s)</b>
Public Health Foundational Standard	19,163.6	6,091.5
Chronic Diseases and Injuries	40,962.2	9,173.4
Family Health	90,346.2	18,730.8
Infectious Diseases	68,149.6	12,813.6
Environmental Health	24,635.4	5,278.0
Public Health Emergency Preparedness	3,001.7	677.0
<b>2014 Approved Operating Budget</b>	<b>246,258.6</b>	<b>52,764.2</b>

**CONTACT**

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**SIGNATURE**

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Dr. David McKeown  
Medical Officer of Health

**ATTACHMENT**

Attachment 1: TPH Operating Variance Submission for the Five Months ended May 31, 2014