

Toronto Public Health Operating Budget Variance for the Twelve Months Ended December 31, 2017

Date: March 29 2018
To: Board of Health
From: Medical Officer of Health
Wards: All

SUMMARY

This report provides an update to the Board of Health on the Toronto Public Health (TPH) Operating Budget Variance for the twelve months ended on December 31, 2017.

The TPH 2017 Operating Budget was underspent by \$597.3 thousand net or 1.0 percent for the twelve months ended on December 31, 2017.

RECOMMENDATIONS

The Medical Officer of Health recommends that the Board of Health receive this report for information.

FINANCIAL IMPACT

Toronto Public Health planned expenditures were underspent at the end of December 2017 by \$4,045.8 thousand (1.6 percent) and revenues were under budget by \$3,448.5 thousand (1.9 percent), resulting in a net favourable variance of \$597.3 thousand (1.0 percent).

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

DECISION HISTORY

At its meeting on February 15, 2017, City Council approved a TPH 2017 Operating Budget of \$245,071.4 thousand gross and \$69,796.9 thousand net.

<http://app.toronto.ca/tmmis/viewAgendaltemHistory.do?item=2017.EX22.2>

COMMENTS

The Toronto Public Health 2017 final operating budget is \$246,524.0 thousand gross and \$60,826.9 thousand net as a result of in-year adjustments.

Year-to-date gross expenditure for the twelve months ending December 31, 2017 was under budget by \$4,045.8 thousand (1.6 percent) and revenue was under budget by \$3,448.5 thousand (1.9 percent) resulting in a net favourable variance of \$597.3 thousand (1.0 percent) as depicted in Table 1.

Table 1				
2017 Operating Budget Variance as of December 31, 2017				
	Budget	Actual	Variance	
	(\$000s)	(\$000s)	Over / (Under)	%
Gross Expenditure	246,524.0	242,478.2	(4,045.8)	(1.6)
Revenue	185,697.1	182,248.6	(3,448.5)	(1.9)
Net Expenditure	60,826.9	60,229.6	(597.3)	(1.0)

Explanations of the variances for the twelve months ending December 31, 2017 in gross expenditures and revenue are outlined below; more details are provided in Attachment 1.

Gross Expenditures

TPH's gross expenditure variance of \$4,045.8 thousand (1.9%) was due to unspent funding of \$1,174.2 thousand in cost shared and City funded programs, and \$2,871.5 thousand in 100 percent funded programs.

Salaries and Benefits were \$3,670.5 thousand or 2.0 percent under budget which accounts for 90.1 percent of the \$4,045.8 thousand variance. The gapping rate at December 31, 2017 was 7.0 percent, 1.9 percent higher than the gapping target of 5.1 percent. Retirements, short term leaves, and unfilled positions in the first six months of the year were key drivers for the variance in Salary and Benefits and the gapping rate. In addition, TPH received in-year approval to hire twelve additional staff for the Supervised Injection Service and the implementation of the Harm Reduction program two months before staff could be recruited, contributing \$575.2 thousand to the \$3,670.5 thousand variance.

Non-payroll expenditures were underspent by \$375.3 thousand (9.9% of the gross variance) across a number of programs and cost elements.

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Revenue

Actual revenue came in under budget by \$3,448.5 thousand (1.9 percent) mainly due to lower revenue from the Province as a result of lower expenditures.

CONTACT

Althea Hutchinson, Director, Finance & Administration, Toronto Public Health
Tel: 416-338-7840, Email: althea.hutchinson@toronto.ca

SIGNATURE

Dr. Eileen De Villa
Medical Officer of Health

ATTACHMENTS

Attachment 1: Toronto Public Health Variance Analysis for the Twelve Months ended December 31, 2017