



Algoma
PUBLIC HEALTH
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BOARD OF HEALTH

FINANCE AND AUDIT COMMITTEE MEETING

SEPTEMBER 14, 2016

PRINCE MEETING ROOM, 3RD FLOOR

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Meeting Book - Finance and Audit Committee - September 14, 2016

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12. Next Meeting

a. Wednesday, November 9, 2016

13. Adjournment

ALGOMA PUBLIC HEALTH
BOARD OF HEALTH FINANCE AND AUDIT COMMITTEE
September 14, 2016 @ 4:30 – 5:30 P.M.
PRINCE MEETING ROOM, 3RD FLOOR
A*G*E*N*D*A

1) Meeting Called to Order Mr. Ian Frazier, Chair

2) Declaration of Conflict of Interest Mr. Ian Frazier, Chair

3) Adoption of Agenda Items Mr. Ian Frazier, Chair

RESOLUTION:

THAT the agenda items for the Finance and Audit Committee meeting dated September 14, 2016 be adopted as circulated.

4) Adoption of Minutes Mr. Ian Frazier, Chair

RESOLUTION:

THAT the minutes for the Finance and Audit Committee meeting dated June 8, 2016 be adopted as circulated.

5) Financial Statements Mr. Justin Pino, CFO

- a. Draft Financial Statements for the Period ending July 31, 2016
- b. Briefing Note: Revised Presentation of Monthly Financial Statements
- c. New Financial Statement Template

RESOLUTION:

THAT the Finance and Audit Committee recommends and put forth to the Board of Health for approval:

- 1. *The draft financial statements for the period ending July 31, 2016.*
- 2. *The changes to the financial statement reporting template*

6) Business Arising from Minutes

- a. Capital Assets Fund Study Services Update Mr. Justin Pino, CFO
- b. Mortgage Renewal Update Mr. Ian Frazier, Chair

7) New Business/General Business

- a. Infant Development Program Reconciliation – *For Information only* Mr. Justin Pino, CFO
- a. Renewal of Building Automation and Security Services Contract Mr. Justin Pino, CFO

RESOLUTION:

THAT the Finance and Audit Committee recommends and put for the to the Board of Health for approval:

- 1. *Sole source procurement of HVAC control services and security services related to building card access system for its 294 Willow Ave location.*
- 2. *The execution of the building automation and security services contract/lease with Siemens Canada Ltd.*

8) Addendum

9) In-Committee

Mr. Ian Frazier, Chair

RESOLUTION:

THAT the Finance and Audit Committee goes in-committee.

- a. Adoption of in-committee minutes dated April 19, 2016

10) Open Meeting

Mr. Ian Frazier, Chair

RESOLUTION:

THAT the Finance and Audit Committee goes into open meeting.

11) Items Identified to be brought forth to the Board

12) Next Meeting: Wednesday, November 9, 2016

Mr. Ian Frazier, Chair

13) That The Meeting Adjourn

Mr. Ian Frazier, Chair

RESOLUTION:

THAT the meeting of the Finance and Audit Committee adjourns.

**Algoma Public Health
Financial Statements
For the period ending: July 31, 2016**

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**Algoma Public Health
Statement of Operations and Fund Balances
For the period ending:**

July 2016

	Actual YTD 2016	Budget YTD 2016	Variance Bgt to Actual 2016	Annual Budget 2016	2016 YTD Actual/ YTD Budget %
Revenue					
Municipal Levy -public health	\$ 2,556,269	\$ 1,983,212	\$ 573,057	\$ 3,399,791	129%
Provincial Grants -public health	5,832,227	5,693,217	139,010	9,759,800	102%
Provincial Grants - community health	2,870,081	2,880,782	(10,701)	7,641,618	100%
Fees, other grants and recovery of expenditures	313,141	480,786	(167,645)	824,204	65%
Dental Benefits Ontario Works Recoveries	195,054	0	195,054	-	
	\$ 11,766,772	\$ 11,037,996	\$ 728,776	\$ 21,625,413	107%
Expenditures					
Public Health Programs					
Public Health	\$ 7,781,819	\$ 8,155,882	\$ 374,063	\$ 13,983,797	95%
Community Health Programs					
Healthy Babies and Children	\$ 600,835	\$ 623,006	\$ 22,172	\$ 1,068,011	96%
Child Benefits Ontario Works	13,174	14,082	908	24,135	94%
Dental Benefits Ontario Works	178,440	-	(178,440)	-	
Algoma CADAP programs	109,596	123,853	14,257	212,320	88%
Misc Calendar	0	-	-	-	
Northern Ontario Fruit & Vegetable Program	49,841	41,146	(8,695)	117,400	121%
Brighter Futures for Children	33,473	39,983	6,510	114,447	84%
Infant Development	208,703	210,645	1,942	631,935	99%
Preschool Speech and Languages	175,462	204,752	29,290	614,256	86%
Nurse Practitioner	39,596	40,951	1,355	122,853	97%
Genetics Counseling	117,730	126,269	8,539	378,806	93%
Community Mental Health	1,061,956	1,131,566	69,611	3,219,298	94%
Community Alcohol and Drug Assessment	219,126	227,386	8,260	682,157	96%
Remedial Measures	9,230	-	(9,230)	-	
Diabetes	0	14,556	14,556	131,000	
Healthy Kids Community Challenge	48,576	60,064	11,488	225,000	81%
Stay on Your Feet	25,928	33,333	7,406	100,000	78%
Misc Fiscal	7,421	-	(7,421)	-	
	\$ 10,680,905	\$ 11,047,474	\$ 366,569	\$ 21,625,416	97%
Excess of revenues over expenses - CH	166,049				
Excess of revenues over exp. - Public Health	919,818				

Algoma Public Health
Revenue Statement
For the Seven Months Ending July 31, 2016

	Current YTD	Budget YTD	Variance	YTD Actual to Annual Bgt %	Annual Budget	Comparison Prior Year:		
						YTD Actual 2015	YTD BGT 2015	Variance 2015
MOH Public Health Funding	4,467,295	4,373,717	93,578	60%	7,497,800	4,379,050	4,483,060	(104,010)
MOH One Time Funding	29,579	29,575	4	58%	50,700	26,129	29,573	(3,445)
MOH Funding Haines Food Safety	14,350	14,350	0	58%	24,600	14,309	14,311	(2)
MOH Funding CINOT/Healthy Smiles	276,802	239,517	37,285	67%	410,600	249,398	239,497	9,902
MOH Funding - Social Determinants of Health	105,293	105,292	1	58%	180,500	105,257	105,261	(5)
MOH Funding Vector Bourne Disease	63,407	63,408	(1)	58%	108,700	63,354	63,357	(3)
MOH Funding Chief Nursing Officer	70,879	70,875	4	58%	121,500	70,819	70,825	(6)
MOH Funding Safe Water	40,600	40,600	0	58%	69,600	40,576	40,578	(3)
MOH Enhanced Funding Safe Water	9,042	9,042	0	58%	15,500	9,036	9,042	(6)
MOH Funding Unorganized	291,843	291,842	1	58%	500,300	254,269	254,270	(1)
MOH One Time Funding Dental Health	27,967	19,833	8,134	82%	34,000	9,843	19,688	(9,844)
MOH Funding Infection Control	182,237	182,233	4	58%	312,400	182,165	182,174	(10)
Levies Sault Ste Marie	1,772,134	1,378,327	393,807	75%	2,362,846	973,019	1,113,996	(140,976)
Levies Sault Ste Marie Capital	0	0	0	0%	0	144,742	168,866	(24,124)
Levies Vector Bourne Disease	44,575	34,669	9,906	75%	59,433	32,977	38,473	(5,496)
Levies District	739,560	570,215	169,345	76%	977,512	508,262	504,651	3,611
Levies District Capital	0	0	0	0%	0	62,032	72,371	(10,339)
Recoveries from Programs	5,873	5,869	4	58%	10,061	7,826	5,869	1,957
Program Fees	125,283	144,167	(18,884)	51%	247,143	111,636	144,167	(32,531)
Land Control Fees	63,940	93,333	(29,393)	40%	160,000	69,065	93,333	(24,268)
Program Fees Immunization	104,963	93,333	11,630	66%	160,000	116,966	93,333	23,633
HPV Vaccine Program	3,018	5,833	(2,816)	30%	10,000	867	5,833	(4,966)
Influenza Program	1,405	35,000	(33,595)	2%	60,000	760	35,000	(34,240)
Meningococcal C Program	2,849	5,833	(2,984)	28%	10,000	255	5,833	(5,578)
Interest Revenue	5,810	1,167	4,643	290%	2,000	5,952	1,167	4,785
Other Revenues	0	96,250	(96,250)	0%	165,000	19,982	96,250	(76,268)
Funding Holding		0	0	0%	0	434	0	434
Funding Ontario Tobacco Strategy	252,933	252,933	(0)	58%	433,600	252,919	243,600	9,319
Elliot Lake Office Relocation	0	0	0	0%	0	0	0	0
Panorama	0	0	0	0%	0	0	0	0
First Nations Initiative -One Time	0	0	0	0%	0	112,214	0	112,214
	\$ 8,701,637	\$ 8,157,213	\$ 544,424		\$ 13,983,795	\$ 7,824,112	\$ 8,134,377	\$(310,266)
Summary								
Levies	2,556,269	1,983,211	573,058	129%	3,399,791	1,721,032	1,898,357	(177,324)
Funding Grants	5,832,227	5,693,217	139,010	102%	9,759,800	5,769,337	5,755,235	14,101
Fees & Recoveries	313,141	480,786	(167,645)	65%	824,204	333,743	480,786	(147,043)
	\$ 8,701,637	\$ 8,157,213	544,423	107%	\$ 13,983,795	\$ 7,824,112	\$ 8,134,377	\$(310,266)

Algoma Public Health
Expense Statement- Public Health
For the Seven Months Ending July 31, 2016

	<u>Current YTD</u>	<u>Budget YTD</u>	<u>Variance</u>	<u>YTD Actual to Annual Bgt %</u>	<u>Annual Budget</u>	<u>Comparison Prior Year:</u>			
						<u>YTD Actual 2015</u>	<u>YTD BGT 2015</u>	<u>Variance 2015</u>	
Salaries & Wages	\$ 4,512,332	\$ 4,848,357	336,025	54%	\$ 8,314,147	\$ 4,551,398	\$ 4,771,112	\$ 219,714	1
Benefits	1,131,698	1,212,089	80,392	54%	2,078,537	1,113,432	1,192,780	79,347	2
Travel - Car Allowances	0	0	-	0%	.	43,351	36,143	(7,207)	3
Travel - Mileage	64,281	85,390	21,108	44%	146,784	80,888	73,178	(7,711)	3
Travel - Other	33,181	55,280	22,099	35%	95,301	44,921	73,680	28,759	3
Program	407,619	327,178	(80,441)	73%	557,306	540,039	428,255	(111,784)	4
Office	73,506	53,667	(19,839)	80%	92,000	27,100	76,971	49,871	4
Computer Services	391,511	522,613	131,101	44%	895,908	343,223	442,417	99,194	4
Telephone Charges	6,918	22,750	15,832	18%	39,000	8,493	28,153	19,661	5
Telecommunications	139,277	104,365	(34,912)	77%	180,483	71,260	99,727	28,468	5
Program Promotion	50,846	124,883	74,037	24%	214,085	66,530	123,423	56,894	4
Facilities Expenses	477,865	474,789	(3,076)	59%	813,924	380,803	442,809	62,007	6
Fees & Insurance	275,942	140,703	(135,239)	114%	241,205	272,218	163,036	(109,182)	7
Debt Management	271,531	266,000	(5,531)	60%	456,000	(52,402)	(83,304)	(30,902)	8
Recoveries	(54,688)	(82,182)	(27,494)	39%	(140,883)	0	0	0	9
	<u>\$ 7,781,819</u>	<u>\$ 8,155,882</u>	<u>\$ 374,063</u>		<u>\$ 13,983,797</u>	<u>\$ 7,757,167</u>	<u>\$ 8,134,379</u>	<u>\$ 377,212</u>	

	<u>Current YTD</u>	<u>2015</u>	<u>Total</u>	<u>Total % Spent</u>	<u>Total Budget</u>
Elliot Lake Renovations	422,304	277,890	700,194	97%	724,960

Notes to Financial Statements – July 2016

Reporting Period

The July 2016 financial reports include seven months of financial results for Public Health and the following calendar programs; Healthy Babies & Children, Child & Dental Benefits Ontario Works, and Algoma CADAP programs. All other programs are reporting four month results from operations year ended March 2017.

Public Health – Statement of Operations (see page 1)

General Comments

As of July 31st 2016, Public Health programs are reporting a surplus of approximately \$919k.

On the Revenue side, the \$573 positive variance is attributable to the timing of receipts of the municipal levies from the City of Sault Ste. Marie and the District. Provincial Grants – Public Health is showing a positive variance of \$139k. This is associated with 2015 approved and settled one-time funding requests related to the Interim CEO Position and New Purpose-Built Vaccine Refrigerators. Fees, Other Grants & Recoveries are indicating a negative \$167k variance as a result of timing of fees recovered by APH.

There is a positive variance of \$374k related to Public Health Expenses being less than budgeted. This is a result of two vacant positions which have been gapped and yet to be filled. In addition, the vacant permanent Medical Officer of Health (MOH) position is impacting the noted positive variance. The inherent time lag in filling positions within the agency is also contributing to this variance. Computer Services is also contributing to this positive variance. APH's 2016 Operating Budget was approved by the Board of Health in November of 2015 and included the buy-back of IT equipment. In December of 2015, the decision was made to buy-back leased IT equipment prior to 2016. Offsetting the positive contribution of Computer Services is the increase in legal fees incurred by APH to defend a public health policy issue. APH has submitted a one-time funding request to recoup these legal costs.

Community Health programs are reporting a surplus of \$166k.

Dental Benefit Ontario Works Recoveries are being offset by the corresponding Dental Benefits Ontario Works Expense, neither of which has been budgeted.

Preschool Speech and Language is showing a positive \$29k variance. This is a result of the timing of payment to the Children's Rehab Center for purchased services. The Community Mental Health program is indicating a positive \$69k variance. This is a result of inherent time lag to fill vacant positions.

Notes Continued...

Revenue (see page 2 for details)

Public Health funding revenues are indicating a positive variance of \$544k. Driving this is a \$573k positive variance related to the timing of the municipal levy receipts from the City of Sault Ste. Marie and the District.

Funding Grants are operating relatively within budget. The \$139k positive variance noted is primarily attributable to 2015 one-time funding requests related to the Interim CEO Position and the New Purpose-Built Vaccine Refrigerators. These funds were received in 2016 have been settled with the Ministry.

There is a negative variance of \$167k associated with Fees & Recoveries. In an effort to balance the budget, recognition of deferred revenue was planned for 2016. Management will determine if this is required as the year progresses. This is impacting the negative \$96k variance related to Other Revenues. The negative \$29k variance associated with Land Control Fees and the negative \$33k variance related to the Influenza Program should be reduced as the year progresses. APH typically captures the bulk of its fees between the spring and fall months.

Public Health Expenses Budget (see page 3)

Note 1 & 2– Salaries/Benefits

The positive variance of \$336k is a result of two vacant positions which have been gapped and yet to be filled. In addition, the vacant permanent Medical Officer of Health (MOH) position is impacting the noted positive variance. The inherent time lag in filling positions within the agency is also contributing to this variance.

Benefits are indicating a positive variance of \$80k. The two vacant positions which have been gapped and the vacant permanent MOH position are contributing to the positive variance noted.

Note 3 –Travel (Mileage, Other)

Mileage is showing a positive \$21k variance due to timing of employee claim submissions.

Travel - Other is showing a positive \$22k variance. Staff travel typically occurs between the spring and fall months.

Note 4 - Program, Office, Computer Services, Program Promotion

Program expense is indicating a negative \$80k variance. The purchased services for the Acting MOH and Associate MOH roles are driving the noted variance.

Office expense is operating relatively within budget.

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Computer Services is showing a positive variance of \$131k. APH's 2016 Operating Budget was approved by the Board of Health in November of 2015 and included the buy-back of IT equipment. In December of 2015, the decision was made to buy-back leased IT equipment prior to 2016. This is driving the noted positive variance.

Notes Continued...

Program Promotion is showing a positive variance of \$74k due to timing of expenditures not yet incurred.

Note 5 – Telephone Charges/Telecommunications

Telephone Charges are indicating a positive variance of \$15k. Telecommunications is indicating a negative variance of \$35k. When netted together Telephone/Telecommunications are operating relatively within budget.

Note 6 – Facilities Expenses/Renovations

Facilities Expenses is operating relatively within budget.

Note 7 – Fees & Insurance

Fees & Insurance is indicating a negative variance of \$135k. This is due to the \$83k payment of the annual insurance premium paid in full during the month of February. In addition, APH has incurred legal expenses regarding a Public Health policy matter. APH has submitted a one-time funding request to the MOHLTC with the intention of recouping these costs.

Note 8 – Debt Management

Debt Management is indicating a negative variance of \$5k. This is a result of interest charges on the short-term debt related to Elliot Lake renovations. These interest charges were not budgeted.

Note 9 – Recoveries

Recoveries are indicating a negative variance of \$27k. This is a result of recoveries being less than budgeted. Revisions to the budgeted Recoveries figure will be implemented in the 2017 APH Budget.

Community Programs (see page 1)

All community programs are operating without budget issues.

Financial Position - Balance Sheet (see page 7)

Our cash flow position continues to be stable and the bank has been reconciled as of July 31st, 2016. Cash includes \$.324 million in short-term investments.

APH has secured a \$350,000 loan with interest only payments until September 1, 2016 to help with the financing of the Elliot Lake office renovations.

Long term debt of \$5.625 million is held by the Royal Bank @ 2.76% for a 60 month term (amortization period of 240 months). The loan matures on September 1, 2016. Page 12 of 37

The Board of Health has awarded the refinancing of its loans (Elliot Lake leasehold improvements and Sault Ste. Marie building) to TD Bank for the next 60 month term (amortization period of 180 months) upon the upcoming maturity of the current term.

Notes Continued...

There are no material collection concerns for accounts receivable. Letters were issued by APH to three participating municipalities regarding late levy payments. APH is awaiting a response.

Algoma Public Health
Statement of Financial Position

Date: As of July 2016	July 2016	December 2015
Assets		
Current		
Cash & Investments	\$ 2,202,960	\$ 2,368,709
Accounts receivable	581,567	658,510
Receivable from municipalities	113,166	5,134
Receivable from Province of Ontario	-	-
<i>Subtotal Current Assets</i>	2,897,693	3,032,353
Financial Liabilities:		
Accounts Payable & Accrued Liabilities	953,681	1,490,132
Payable to Gov't of Ont/Municipalities	294,966	641,766
Deferred Revenue	760,887	664,615
Employee Future Benefit Obligations	2,453,960	2,453,960
Capital Lease Obligation	0	107,264
Term Loan	6,173,490	6,173,490
<i>Subtotal Current Liabilities</i>	10,636,984	11,531,227
Net Debt	-7,739,291	-8,498,874
Non-Financial Assets:		
Building Construction in Progress	22,732,421	22,732,421
Furniture & Fixtures	1,914,772	1,914,772
Leasehold Improvements	1,169,635	1,169,635
IT	3,029,040	3,029,040
Automobile	40,113	40,113
Accumulated Depreciation	-6,880,999	-6,880,999
<i>Subtotal Non-Financial Assets</i>	22,004,981	22,004,981
Accumulated Surplus	14,265,690	13,506,107

Briefing Note

To: APH Board of Health Finance & Audit Committee

From: Dr. Tony Hanlon, CEO
Justin Pino, CFO
Joel Merrylees, Manager of Accounting & Budgeting

Date: September 14, 2016

Re: Revised Presentation of Monthly Financial Statements

For Information

For Discussion

For a Decision

ISSUE:

As outlined in Algoma Public Health's (APH) Finance & Audit Committee Terms of Reference, one of the duties of the Finance & Audit Committee is to "review and make recommendations to the Board regarding monthly financial statements and other monthly/quarterly financial reporting being presented to the Board". As such, the Finance & Audit Committee of the board tasked management with revising the presentation of the monthly financial statements provided to the Board of Health. The goal was to simplify the presentation of the statements to the Board of Health in light of the many program and service offerings provided by APH. Throughout the existence of the Finance & Audit Committee, suggestions have been made by committee members. The attached draft revised presentation of the monthly financial statements attempts to incorporate many of these suggestions while taking into account APH's Finance Department resources.

RECOMMENDED ACTION:

It is recommended that the Finance and Audit Committee recommend to the board of health:

1. The approval of the revised presentation of the monthly financial statements.

BACKGROUND:

As the Finance & Audit Committee has evolved and had the required time to review the presentation of the monthly financial statements, it felt that the presentation of the monthly financial statements could be better aligned to reflect the programs and services APH offers. This would allow the reader to more clearly differentiate between core Public Health program and services and Community Health program and services. As a result the following changes are recommended and reflected in the draft revised presentation of the monthly financial statements:

- Segregating the Statement of Operations into the following categories:
 - Public Health Programs (broken out into 75% Provincially Funded Programs and 100% Provincially Funded Programs)

- Community Health Programs that operate within a calendar year (January through December)
- Community Health Programs that operate within a fiscal year (April through March)
- Addition of a column noting line items that have a variance (Actual versus budget) greater than 15% and \$15,000 in the first six months and 10% and \$10,000 within the last six months of the respective program's reporting year. This will drive variance explanations provided to the reader in the notes to the financial statements.

The primary reasoning for this segregation is to allow the reader to more easily differentiate between Public Health Programs and Community Health Programs. Public Health Programs are further broken out into 75% Provincially Funded programs which typically relates to Mandatory Public Health Programs and 100% Provincially Funded programs which are typically aligned to a specific Public Health initiative. For every unspent dollar of 75% Provincially Funded dollars, APH has to return seventy five cents to the ministry. For every unspent dollar of 100% Provincially funded dollars, APH has to return one dollar to the ministry.

Community Programs relate to programs and services that APH has committed to provide within the District of Algoma.

- Segregation of the Revenue Statement into the following categories:
 - Levies
 - 75% Public Health Funding
 - 100% Public Health Funding
 - Fees, Other Grants and Recoveries
 - Provincial Grants - Funding for Prior Year Expenses

The primary reason for this segregation is to allow the reader to more easily differentiate the primary sources of funding for APH.

- Aligning the billing of levies to the budget

APH bills participating municipalities quarterly while the budget is built to reflect monthly billings. This results in distorted timing issues when conducting monthly variance analysis. By revising the budget to reflect actual quarterly billings, this will eliminate significant noted variances related to the levies and will provide the reader of the monthly financial statements with a more indicative picture of the financial operating health of APH.

FINANCIAL IMPLICATIONS:

None

CONTACT:

Justin Pino, CFO

**Algoma Public Health
Financial Statements**

July 31, 2016

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Algoma Public Health
Statement of Operations
July 2016

	Actual YTD 2016	Budget YTD 2016	Variance Act. to Bgt. 2016	Annual Budget 2016	Variance % Act. to Bgt. 2016	YTD Actual/ YTD Budget 2016
Public Health Programs						
Revenue						
Municipal Levy - Public Health	\$ 2,556,269	\$ 2,549,843	\$ 6,426	\$ 3,399,791	0%	100%
Provincial Grants - Public Health 75% Prov. Funded	4,460,269	4,497,558	(37,289)	7,710,100	-1%	99%
Provincial Grants - Public Health 100% Prov. Funded	1,232,958	1,195,658	37,300	2,049,700	3%	103%
Fees, other grants and recovery of expenditures	313,141	480,786	(167,645)	824,204	-35%	65%
Provincial Grants - Fiscal	0	-	-	-	-	-
Provincial Grants - Funding for Prior Yr Expenses	139,000	-	139,000	-	-	-
Total Public Health Revenue	\$ 8,701,637	\$ 8,723,846	\$ (22,209)	\$ 13,983,795	0%	100%
Expenditures						
Public Health 75% Prov. Funded Programs	\$ 6,772,748	\$ 6,969,075	\$ (196,327)	\$ 11,934,098	-3%	97%
Public Health 100% Prov. Funded Programs	1,009,071	1,186,807	(177,736)	2,049,700	-15%	85%
Public Health Fiscal	-	-	-	-	-	-
Total Public Health Programs Expenditures	\$ 7,781,819	\$ 8,155,882	\$ (374,063)	\$ 13,983,797	-5%	95%
Excess of Rev. over Exp. 75% Prov. Funded	\$ 556,931	\$ 559,113	\$ (2,181)	\$ (3)		
Excess of Rev. over Exp. 100% Prov. Funded	223,887	8,851	215,035	0		
Excess of Rev. over Fiscal Funded	-	-	-	-		
Provincial Grants for Prior Yr Expenses	139,000	-	139,000	-	-	-
Total Rev. over Exp. Public Health	\$ 919,818	\$ 567,964	\$ 351,854	\$ (2)		

Community Health Programs

Calendar Programs						
Revenue						
Provincial Grants - Community Health	\$ 623,011	\$ 623,006	\$ 5	\$ 1,068,011	0%	100%
Municipal, Federal, and Other Funding	165,145	137,932	17,213	236,455	12%	112%
Dental Benefits Ontario Works Recoveries	195,054	-	195,054	-	-	-
Total Community Health Revenue	\$ 973,210	\$ 760,939	\$ 212,272	\$ 1,304,466	28%	128%
Expenditures						
Healthy Babies and Children	\$ 600,835	\$ 623,006	\$ (22,172)	\$ 1,068,011	-4%	96%
Child Benefits Ontario Works	13,174	14,082	(908)	24,135	-6%	94%
Dental Benefits Ontario Works	178,440	-	178,440	-	-	-
Algoma CADAP programs	109,596	123,853	(14,257)	212,320	-12%	88%
Total Calendar Community Health Programs	\$ 902,045	\$ 760,941	\$ 141,103	\$ 1,304,466	19%	119%
Total Rev. over Exp. Calendar Community Health	\$ 71,166	\$ (3)	\$ 71,169	\$ 0		

Fiscal Programs

Revenue						
Provincial Grants - Community Health	\$ 1,830,843	\$ 1,874,989	\$ (44,146)	\$ 5,712,299	-2%	98%
Municipal, Federal, and Other Funding	249,066	244,855	4,201	800,253	2%	102%
Other Bill for Service Programs	12,026	-	12,026	-	-	-
Total Community Health Revenue	\$ 2,091,925	\$ 2,119,844	\$ (27,919)	\$ 6,512,552	-1%	99%
Expenditures						
Northern Ontario Fruit & Vegetable Program	49,841	41,146	8,695	117,400	21%	121%
Brighter Futures for Children	33,473	39,983	(6,510)	114,447	-16%	84%
Infant Development	208,703	210,645	(1,942)	631,935	-1%	99%
Preschool Speech and Languages	175,462	204,752	(29,290)	614,256	-14%	86%
Nurse Practitioner	39,596	40,951	(1,355)	122,853	-3%	97%
Genetics Counseling	117,730	126,269	(8,539)	378,806	-7%	93%
Community Mental Health	1,061,956	1,131,566	(69,610)	3,394,698	-6%	94%
Community Alcohol and Drug Assessment	219,126	227,386	(8,260)	682,157	-4%	96%
Diabetes	0	14,556	(14,556)	131,000	-100%	0%
Healthy Kids Community Challenge	48,576	60,064	(11,488)	225,000	-19%	81%
Stay on Your Feet	25,928	33,333	(7,406)	100,000	-22%	78%
Bill for Service Programs	16,652	-	16,652	-	-	-
Misc Fiscal	0	-	-	-	-	-
Total Fiscal Community Health Programs	\$ 1,997,042	\$ 2,130,651	\$ (133,608)	\$ 6,512,553	-6%	94%
Total Rev. over Exp. Fiscal Community Health	\$ 94,883	\$ (10,807)	\$ 105,690	\$ (0)		

**Algoma Public Health
Revenue Statement
For the Seven Months Ending July 31, 2016**

	Actual YTD 2016	Budget YTD 2016	Variance Act. to Bgt. 2016	Annual Budget 2016	Variance % Act. to Bgt. 2016	YTD Actual/ YTD Budget 2016	Comparison Prior Year:		
							YTD Actual 2015	YTD BGT 2015	Variance 2015
Levies Sault Ste Marie	1,772,134	1,772,134	0	2,362,846	0%	75%	973,019	1,113,996	(140,976)
Levies Sault Ste Marie Capital	0	0	0	0		0%	144,742	168,866	(24,124)
Levies Vector Bourne Disease and Safe Water	44,575	44,575	0	59,433	0%	75%	32,977	38,473	(5,496)
Levies District	739,560	733,134	6,426	977,512	1%	76%	508,262	504,651	3,611
Levies District Capital	0	0	0	0		0%	62,032	72,371	(10,339)
Total Levies	2,556,269	2,549,843	6,426	3,399,791	0%	75%	1,721,032	1,898,357	(177,324)
MOH Public Health Funding	4,328,295	4,373,717	(45,422)	7,497,800	-1%	58%	4,379,050	4,483,060	(104,010)
MOH Funding Vector Bourne Disease	63,407	63,408	(1)	108,700	0%	58%	63,354	63,357	(3)
MOH One Time Funding Dental Health	27,967	19,833	8,134	34,000	41%	82%	9,843	19,688	(9,844)
MOH Funding Safe Water	40,600	40,600	0	69,600	0%	58%	40,576	40,578	(3)
Total Public Health 75% Prov. Funded	4,460,269	4,497,558	(37,289)	7,710,100	-1%	58%	4,492,822	4,606,682	(113,860)
MOH One Needle Exchange	29,579	29,575	4	50,700	0%	58%	26,129	29,573	(3,445)
MOH Funding Haines Food Safety	14,350	14,350	0	24,600	0%	58%	14,309	14,311	(2)
MOH Funding CINOT/Healthy Smiles	276,802	239,517	37,285	410,600	16%	67%	249,398	239,497	9,902
MOH Funding - Social Determinants of Health	105,293	105,292	1	180,500	0%	58%	105,257	105,261	(5)
MOH Funding Chief Nursing Officer	70,879	70,875	4	121,500	0%	58%	70,819	70,825	(6)
MOH Enhanced Funding Safe Water	9,042	9,042	0	15,500	0%	58%	9,036	9,042	(6)
MOH Funding Unorganized	291,843	291,842	1	500,300	0%	58%	254,269	254,270	(1)
MOH Funding Infection Control	182,237	182,233	4	312,400	0%	58%	182,165	182,174	(10)
Funding Ontario Tobacco Strategy	252,933	252,933	(0)	433,600	0%	58%	252,919	243,600	9,319
Total Public Health 100% Prov. Funded	1,232,958	1,195,658	37,300	2,049,700	3%	60%	1,164,301	1,148,553	15,748
Funding for Prior Yr Expenses	139,000	0	139,000						
Recoveries from Programs	5,873	5,869	4	10,061	0%	58%	7,826	5,869	1,957
Program Fees	125,283	144,167	(18,884)	247,143	-13%	51%	111,636	144,167	(32,531)
Land Control Fees	63,940	93,333	(29,393)	160,000	-31%	40%	69,065	93,333	(24,268)
Program Fees Immunization	104,963	93,333	11,630	160,000	12%	66%	116,966	93,333	23,633
HPV Vaccine Program	3,018	5,833	(2,816)	10,000	-48%	30%	867	5,833	(4,966)
Influenza Program	1,405	35,000	(33,595)	60,000	-96%	2%	760	35,000	(34,240)
Meningococcal C Program	2,849	5,833	(2,984)	10,000	-51%	28%	255	5,833	(5,578)
Interest Revenue	5,810	1,167	4,643	2,000	398%	290%	5,952	1,167	4,785
Other Revenues	0	96,250	(96,250)	165,000	-100%	0%	19,982	96,250	(76,268)
Funding Holding		0	0	0		0%	434	0	434
Total Fees, Other Grants and Recoveries	313,141	480,786	(167,645)	824,204	-35%	38%	333,743	480,786	(147,043)
Panorama	0	0	0	0		0%	0	0	0
First Nations Initiative -One Time	0	0	0	0		0%	112,214	0	112,214
Total Provincial Grants Fiscal	0	0	0	0		0%	112,214	0	112,214
Total Public Health Revenue	\$ 8,701,637	\$ 8,723,845	\$ (22,209)	\$ 13,983,795	0%	62%	\$ 7,824,112	\$ 8,134,377	\$ (310,266)

Algoma Public Health
Expense Statement- Public Health

For the Seven Months Ending July 31, 2016

	Actual YTD 2016	Budget YTD 2016	Variance Act. to Bgt. 2016	Annual Budget 2016	Variance % Act. to Bgt. 2016	YTD Actual/ YTD Budget 2016	Comparison Prior Year:		
							YTD Actual 2015	YTD BGT 2015	Variance 2015
Salaries & Wages	\$ 4,512,332	\$ 4,848,357	336,025	\$ 8,314,147	-7%	54%	\$ 4,551,398	\$ 4,771,112	\$ 219,714
Benefits	1,131,698	1,212,089	80,392	2,078,537	-7%	54%	1,113,432	1,192,780	79,347
Travel - Car Allowances	0	0	-			0%	43,351	36,143	(7,207)
Travel - Mileage	64,281	85,390	21,108	146,784	-25%	44%	80,888	73,178	(7,711)
Travel - Other	33,181	55,280	22,099	95,301	-40%	35%	44,921	73,680	28,759
Program	407,619	327,178	(80,441)	557,306	25%	73%	540,039	428,255	(111,784)
Office	73,506	53,667	(19,839)	92,000	37%	80%	27,100	76,971	49,871
Computer Services	391,511	522,613	131,101	895,908	-25%	44%	343,223	442,417	99,194
Telephone Charges	6,918	22,750	15,832	39,000	-70%	18%	8,493	28,153	19,661
Telecommunications	139,277	104,365	(34,912)	180,483	33%	77%	71,260	99,727	28,468
Program Promotion	50,846	124,883	74,037	214,085	-59%	24%	66,530	123,423	56,894
Facilities Expenses	477,865	474,789	(3,076)	813,924	1%	59%	380,803	442,809	62,007
Fees & Insurance	275,942	140,703	(135,239)	241,205	96%	114%	272,218	163,036	(109,182)
Debt Management	271,531	266,000	(5,531)	456,000	2%	60%	(52,402)	(83,304)	(30,902)
Recoveries	(54,688)	(82,182)	(27,494)	(140,883)	-33%	39%	0	0	0
\$	7,781,819	\$ 8,155,882	\$ 374,063	\$ 13,983,797	-5%	56%	\$ 7,757,167	\$ 8,134,379	\$ 377,212

	<u>Current YTD</u>	<u>2015</u>	<u>Total</u>	<u>Total Budget</u>	<u>Total % Spent</u>
Elliot Lake Renovations	422,304	277,890	700,194	724,960	97%

Notes to Financial Statements – July 2016

Reporting Period

The July 2016 financial reports include seven months of financial results for Public Health and the following calendar programs; Healthy Babies & Children, Child & Dental Benefits Ontario Works, and Algoma CADAP programs. All other programs are reporting four month results from operations year ended March 2017.

Statement of Operations (see page 1)

Summary – Public Health and Non Public Health Programs

As of July 31st 2016, Public Health programs are reporting a surplus of approximately \$351k.

On the Revenue side, municipal levies are operating relatively within budget. Provincial Grants are also operating relatively within budget. Fees, Other Grants & Recoveries are indicating a negative \$167k variance as a result of timing of fees recovered by APH. Provincial Grants – Funding from prior years is showing a positive variance of \$139k. This is associated with 2015 approved and settled one-time funding requests related to the Interim CEO Position and New Purpose-Built Vaccine Refrigerators.

There is a positive variance of \$374k related to Public Health Expenses being less than budgeted. This is a result of two vacant positions which have been gapped and yet to be filled. In addition, the vacant permanent Medical Officer of Health (MOH) position is impacting the noted positive variance. The inherent time lag in filling positions within the agency is also contributing to this variance. Computer Services is also contributing to this positive variance. APH's 2016 Operating Budget was approved by the Board of Health in November of 2015 and included the buy-back of IT equipment. In December of 2015, the decision was made to buy-back leased IT equipment prior to 2016. Offsetting the positive contribution of Computer Services is the increase in legal fees incurred by APH to defend a public health policy issue. APH has submitted a one-time funding request to recoup these legal costs.

Community Health Calendar programs are reporting a surplus of \$71k.

On the revenue side, \$195k positive variance is associated with Dental Benefits Ontario Works as these funds are not budgeted. This is being offset by the corresponding expenses related to this program that are also not budgeted.

Community Health Fiscal programs are indicating a positive \$105k variance.

On the revenue side, there is a \$44k negative variance related to funding for Community Mental Health Transformational Housing. APH has yet to receive these funds however indications from the North East LHIN is that it is forthcoming.

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On the Expense side, Preschool Speech and Language is showing a positive \$29k variance. This is a result of the timing of payment to the Children's Rehab Center for purchased services. The Community Mental Health program is indicating a positive \$69k variance. This is a result of inherent time lag to fill vacant positions.

Notes Continued...

Public Health Revenue (see page 2 for details)

Public Health funding revenues are showing a negative \$22k variance.

The municipal levies are showing a positive \$6k variance.

Funding Grants are operating relatively within budget.

There is a negative variance of \$167k associated with Fees, Other Grants & Recoveries which is driving the overall negative variance of Public Health Revenues. In an effort to balance the budget, recognition of deferred revenue was planned for 2016. Management will determine if this is required as the year progresses. This is impacting the negative \$96k variance related to Other Revenues. The negative \$29k variance associated with Land Control Fees and the negative \$33k variance related to the Influenza Program should be reduced as the year progresses. APH typically captures the bulk of its fees between the spring and fall months.

Public Health Expenses (see page 3)

Note 1 & 2– Salaries/Benefits

The positive variance of \$336k is a result of two vacant positions which have been gapped and yet to be filled. In addition, the vacant permanent Medical Officer of Health (MOH) position is impacting the noted positive variance. The inherent time lag in filling positions within the agency is also contributing to this variance.

Benefits are indicating a positive variance of \$80k. The two vacant positions which have been gapped and the vacant permanent MOH position are contributing to the positive variance noted.

Note 3 –Travel (Mileage, Other)

Mileage is showing a positive \$21k variance due to timing of employee claim submissions.

Travel - Other is showing a positive \$22k variance. Staff travel typically occurs between the spring and fall months.

Note 4 - Program, Office, Computer Services, Program Promotion

Program expense is indicating a negative \$80k variance. The purchased services for the Acting MOH and Associate MOH roles are driving the noted variance.

Office expense is operating relatively within budget.

Computer Services is showing a positive variance of \$131k. APH's 2016 Operating Budget was approved by the Board of Health in November of 2015 and included the buy-back of IT equipment. In

Notes Continued...

December of 2015, the decision was made to buy-back leased IT equipment prior to 2016. This is driving the noted positive variance.

Program Promotion is showing a positive variance of \$74k due to timing of expenditures not yet incurred.

Note 5 – Telephone Charges/Telecommunications

Telephone Charges are indicating a positive variance of \$15k. Telecommunications is indicating a negative variance of \$35k. When netted together Telephone/Telecommunications are operating relatively within budget.

Note 6 – Facilities Expenses/Renovations

Facilities Expenses is operating relatively within budget.

Note 7 – Fees & Insurance

Fees & Insurance is indicating a negative variance of \$135k. This is due to the \$83k payment of the annual insurance premium paid in full during the month of February. In addition, APH has incurred legal expenses regarding a Public Health policy matter. APH has submitted a one-time funding request to the MOHLTC with the intention of recouping these costs.

Note 8 – Debt Management

Debt Management is indicating a negative variance of \$5k. This is a result of interest charges on the short-term debt related to Elliot Lake renovations. These interest charges were not budgeted.

Note 9 – Recoveries

Recoveries are indicating a negative variance of \$27k. This is a result of recoveries being less than budgeted. Revisions to the budgeted Recoveries figure will be implemented in the 2017 APH Budget.

Non Public Health Programs Revenue and Expenses (see page 1)

All Non Public Health Programs are operating without budget issues.

Notes Continued...

Financial Position - Balance Sheet (see page 7)

Our cash flow position continues to be stable and the bank has been reconciled as of July 31st, 2016. Cash includes \$.324 million in short-term investments.

APH has secured a \$350,000 loan with interest only payments until September 1, 2016 to help with the financing of the Elliot Lake office renovations.

Long term debt of \$5.625 million is held by the Royal Bank @ 2.76% for a 60 month term (amortization period of 240 months). The loan matures on September 1, 2016.

The Board of Health has awarded the refinancing of its loans (Elliot Lake leasehold improvements and Sault Ste. Marie building) to TD Bank for the next 60 month term (amortization period of 180 months) upon the upcoming maturity of the current term.

There are no material collection concerns for accounts receivable. Letters were issued by APH to three participating municipalities regarding late levy payments. APH is awaiting a response.

Algoma Public Health
Statement of Financial Position

Date: As of July 2016	July 2016	December 2015
Assets		
Current		
Cash & Investments	\$ 2,202,960	\$ 2,368,709
Accounts Receivable	581,567	658,510
Receivable from Municipalities	113,166	5,134
Receivable from Province of Ontario		
<i>Subtotal Current Assets</i>	2,897,693	3,032,353
Financial Liabilities:		
Accounts Payable & Accrued Liabilities	953,681	1,490,132
Payable to Gov't of Ont/Municipalities	294,966	641,766
Deferred Revenue	760,887	664,615
Employee Future Benefit Obligations	2,453,960	2,453,960
Capital Lease Obligation	0	107,264
Term Loan	6,173,490	6,173,490
<i>Subtotal Current Liabilities</i>	10,636,984	11,531,227
Net Debt	-7,739,291	-8,498,874
Non-Financial Assets:		
Building Construction in Progress	22,732,421	22,732,421
Furniture & Fixtures	1,914,772	1,914,772
Leasehold Improvements	1,169,635	1,169,635
IT	3,029,040	3,029,040
Automobile	40,113	40,113
Accumulated Depreciation	-6,880,999	-6,880,999
<i>Subtotal Non-Financial Assets</i>	22,004,981	22,004,981
Accumulated Surplus	14,265,690	13,506,107

To: Algoma Public Health Finance and Audit Committee

From: Tony Hanlon, Chief Executive Officer (CEO)

Justin Pino, Chief Financial Officer (CFO)

Date: September 14, 2016

Re: Update - Status of Building Conditions Assessment for Capital Asset Plan and Reserve Fund Study

For Information

For Discussion

For a Decision

UPDATE:

At the Finance and Audit Committee meeting of June 15, 2016, the Committee asked staff to execute the following:

- Follow-up with the Ministry of Community and Social Services (the Ministry) regarding the status of scheduling a Building Conditions Assessment (Assessment) for Algoma Public Health (APH). This assessment would then serve as the foundation for APH's Capital Asset Plan and Reserve Fund Study.

APH staff followed-up with the Ministry on August 9th, 2016 to inquiry about the status of scheduling APH for an Assessment. It was communicated to APH that the Ministry records indicated that an Assessment should be completed by the end of August 2016.

On August 29th, 2016 APH followed-up with the Ministry again to indicate that it had not been contacted by the vendor or anyone from the Ministry regarding the scheduling of an Assessment. The Ministry communicated that they would reach out to the vendor for an update.

On September 6th, 2016 a representative from the Altus Group contacted APH.

It was communicated that Altus Group has scheduled a site visit for APH on Friday September 16th, 2016.

On September 6th, 2016 the Ministry followed-up with APH to ensure that the Altus Group reached out to APH and to confirm that APH was scheduled for a Building Conditions Assessment.

FINANCIAL IMPLICATIONS:

No cost for the assessment itself.

Altus Group has asked that APH reach out to those vendors who are most familiar with the mechanical and electrical systems of the building to be present during the Assessment. These respective vendors' time may be a cost incurred by APH.

CONTACT:

Justin Pino, CFO

TRANSFER PAYMENT ANNUAL RECONCILIATION

SECTION I: SUMMARY, CERTIFICATION and VERIFICATION

SERVICE PROVIDER / DELIVERY AGENT: Board of Health for the District of Algoma Health Unit

FOR THE YEAR ENDED: March 31, 2016

SERVICE CONTRACT/CFSA APPROVAL NUMBER: 0

PART A: SUMMARY

LINE	SERVICES		Executive and Allotment Control	Total Eligible Expenditures (pending final Ministry review and approval)	Total Approved Ministry Funding	Summary of Revised Ministry Funding after Financial Flexibility (pending final Ministry review and approval)
	Detail Code #	Service (Detail Code) Name				
100						
101	A476	Infant Development	CYSEX034-AL09	\$ 621,935	\$ 621,935	\$ 621,935
102	A771	Community Capacity Building	CYSEX032-AL02	\$ 44,051	\$ 44,051	\$ 44,051
103	0			\$ -	\$ -	\$ -
104	0			\$ -	\$ -	\$ -
105	0			\$ -	\$ -	\$ -
106	0			\$ -	\$ -	\$ -
107	0			\$ -	\$ -	\$ -
108	0			\$ -	\$ -	\$ -
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136	0			\$ -	\$ -	\$ -
137	0			\$ -	\$ -	\$ -
138	0			\$ -	\$ -	\$ -
139	0			\$ -	\$ -	\$ -
140	0			\$ -	\$ -	\$ -
141	0			\$ -	\$ -	\$ -
142	0			\$ -	\$ -	\$ -
TOTAL				\$ 665,986	\$ 665,986	\$ 665,986

PART B: CERTIFICATION BY SERVICE PROVIDER / DELIVERY AGENT AUTHORITY

I hereby certify that, to the best of my knowledge, the financial data in the Transfer Payment Annual Reconciliation to which this certification is attached, is true, correct, agrees with the books and records of the organization and has been prepared in accordance with the Technical Instructions and ministry financial policies provided by the Ministry of Community and Social Services and the Ministry of Children and Youth Services.


Signature of Service Provider / Delivery Agent Authority (LINE 143)

Tony Hanlon

Chief Executive Officer

Name of Service Provider/Delivery Agent Authority (LINE 143)

Title of Service Provider/Delivery Agent Authority (LINE 143)

27/07/16
Date (dd/mm/yy) (LINE 150)

PART C: VERIFICATION BY THE BOARD OF DIRECTORS

The above certification, together with the Transfer Payment Annual Reconciliation, was received and approved by:

the Board of Directors on the _____ day of _____ (LINE 160)

Chairperson of the Board of Directors: _____ (LINE 170)

Signature

Kenneth Mason

Name of Chairperson or Designate

Board Chair

Title

TRANSFER PAYMENT ANNUAL RECONCILIATION

SECTION IV: AUDITED FINANCIAL STATEMENT RECONCILIATION

SERVICE PROVIDER / DELIVERY AGENT: Board of Health for the District of Algoma Health Unit
 FOR THE YEAR ENDED: March 31, 2016
 SERVICE CONTRACT/CFSA APPROVAL NUMBER: 0

LINE			
400	TOTAL GROSS REVENUES PER AUDITED FINANCIAL STATEMENTS	\$	665,986
401	LESS: Non Funded Ministry (MCYS) Revenue (i.e. funding from other sources not related to ministry service)	\$	-
402	Adjustments for Revenues from Ministry Funding calculation		
403	Less: Non Retainable Revenues		
404	Specify (e.g. Expenditure Recoveries)	\$	-
405	Specify (e.g. Offsetting Revenues)	\$	-
406	Specify (e.g. Specific Operating Donations)	\$	-
407	Specify (e.g. Inter-Agency Chargebacks)	\$	-
408	Less: Amortization of Deferred Revenue	\$	-
409	Less: Other (specify)	\$	-
410	Less: Other (specify)	\$	-
	Subtotal	\$	-
411	Add: One-Time Capital Expenditures Approved & not included in Revenue	\$	-
412	Add: Other (specify)	\$	-
413	Add: Other (specify)	\$	-
414	Subtotal	\$	-
415	Total Revenue Reported (Line 400 - Line 401 - Line 404 to Line 410 + Line 414)	\$	665,986
420	Total Approved Ministry Funding (Total of LINE 223) <i>(Lines 415 and 420 should equal)</i>	\$	665,986
440	TOTAL GROSS EXPENDITURES PER AUDITED FINANCIAL STATEMENTS	\$	665,986
441	LESS: Non Funded Ministry (MCSS) Expenditures (i.e. expenditures from other services not related to ministry services)	\$	-
442	Adjustments for Inadmissible Expenditures related to Ministry Funded Programs		
443	Less: Accruals (Payables greater than 30 day i.e. Vacation/Sick Accrual)	\$	-
444	Less: Appropriations	\$	-
445	Less: Amortization on Capital Assets	\$	-
446	Less: Donations to Individuals or Organizations	\$	-
447	Less: Fundraising Costs	\$	-
448	Less: Loans to Clients or Staff	\$	-
449	Less: Retainer Fees	\$	-
450	Less: Provisions for Bad Debt	\$	-
451	Less: In Kind	\$	-
452	Less: Other (specify)	\$	-
453	Less: Other (specify)	\$	-
	Subtotal	\$	-
	LESS: Other Adjustments		
455	Less: Expenditure Recoveries/ Offsetting Revenues	\$	-
456	Less: Other (specify)	\$	-
457	Less: Other (specify)	\$	-
	Subtotal	\$	-
460	ADD: Adjustments for Admissible Expenditures, attach prior approval documentation		
461	Add: One-Time Capital Expenditures Approved & Capitalized	\$	-
462	Add: Other (specify)	\$	-
463	Add: Other (specify)	\$	-
	Subtotal	\$	-
475	Total Ministry (MCYS) Eligible Expenditures reported in the Audited Financial Statements	\$	665,986
480	Total Eligible Expenditures (Total of LINE 269)	\$	665,986
490	Variance	\$	-
	Variance Explanation:		
491	Retained Earning	\$	-
492	Total Assets	\$	-
493	Total Debt	\$	-

(Please attach additional sheets if necessary or if the space is insufficient to complete the above reconciliation)

Financial Information of

ALGOMA PUBLIC HEALTH
Infant Development Program
(unaudited)

Year ended March 31, 2016



KPMG LLP
111 Elgin Street, Suite 200
Sault Ste. Marie ON P6A 6L6
Canada
Telephone (705) 949-5811
Fax (705) 949-0911

REVIEW ENGAGEMENT REPORT

To the Members of the Board of the Algoma Public Health

At the request of Algoma Public Health, we have reviewed the statement of revenue and expenditures of the Infant Development Program of the Algoma Public Health for the year ended March 31, 2016. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted of primarily inquiry, analytical procedures and discussion related to information supplied to us by the management. Our review was performed to determine whether the information presented is consistent with management's financial records of the Algoma Public Health and Ministry of Community and Social Services year-end settlement form for the program.

A review does not constitute an audit and, consequently, we do not express an audit opinion on the statement of revenue and expenditures.

Based on our review, nothing has come to our attention that causes us to believe that the statement of revenue and expenditures is not, in all material respects, in accordance with the basis of presentation as required by Ministry of Children and Youth Services.

A handwritten signature in black ink that reads 'KPMG LLP' with a horizontal line underneath.

Chartered Professional Accountants, Licensed Public Accountants

July 20, 2016
Sault Ste. Marie, Canada

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ALGOMA PUBLIC HEALTH

Infant Development Program

Statement of Revenue and Expenditures
(unaudited)

Year ended March 31, 2016, with comparative information for 2015

	Budget	2016	2015
Revenue:			
Provincial grants	\$ 621,935	\$ 621,935	\$ 621,935
Community capacity building	44,051	44,051	44,051
	<u>665,986</u>	<u>665,986</u>	<u>665,986</u>
Expenditures:			
Salaries and benefits	508,426	508,426	507,426
Occupancy	50,354	50,534	51,014
Community capacity building costs	44,051	44,051	44,051
Travel and training	34,000	34,000	30,446
Administration	16,000	16,000	16,000
Program materials and supplies	14,255	14,004	14,061
Telephone	5,400	5,319	6,313
Equipment	—	152	1,497
Professional development	3,500	3,500	3,337
Expenses recovered	(10,000)	(10,000)	(9,887)
	<u>665,986</u>	<u>665,986</u>	<u>664,258</u>
Excess of revenue over expenditures	\$ —	\$ —	\$ 1,728

See accompanying note to financial information.

ALGOMA PUBLIC HEALTH

Infant Development Program

Note to Financial Information

(unaudited)

Year ended March 31, 2016

Basis of accounting:

The statement of revenue and expenditures report has been prepared in accordance with the basis of presentation as required by Ministry of Children and Youth Services. The following principles have been applied:

- Revenue and expenses are reported on the accrual basis of accounting.
- Capital expenditures are recorded as expenses rather than being capitalized.

Briefing Note

To: Board of Health Finance & Audit Committee

From: Dr. Tony Hanlon, CEO
Justin Pino, CFO

Date: September 14, 2016

Re: Renewal of Building Automation and Security Services Contract

For Information

For Discussion

For a Decision

ISSUE:

Algoma Public Health's (APH) current contract with its building automation and security services provider for its 294 Willow Avenue location expired at the end of June 2016. APH extended the contract on a 3 month basis to ensure the Board of Health would have appropriate information to assess the contract prior to renewal. Specifically, Section 6.1 Contract/Leases of APH's Procurement policy states the following:

The Board of Health must approve contracts where:

- a) Irregularities preclude the award of a contract to the lowest bidder in the Tendering and Request for Quotation process and the 'total acquisition costs' exceeds \$50,000
- b) A bid solicitation has been restricted to a single source supply and the total acquisition cost of such goods or services exceeds \$50,000
- c) The contract/lease is for multiple years and exceeds \$50,000

Conditions b) and c) are relevant in this case, therefore require board approval.

RECOMMENDED ACTION:

It is recommended that the Finance and Audit Committee recommend approval to the Board of Health for:

1. Sole source procurement of HVAC control services and security services related to building card access system for its 294 Willow Avenue location.
2. The execution of the building automation and security services contract/lease with Siemens Canada Ltd.

BACKGROUND:

At the time of construction of the 294 Willow Avenue building in Sault Ste. Marie in 2011, the architect involved helped in drafting and securing preventive maintenance contracts between APH and critical mechanical, electrical and controls vendors. One of those contracts was with

Siemens Canada Ltd. for building automation and security services related to HVAC control services and the building card access system. Siemens is the manufacturer of the proprietary hardware and software currently installed throughout the 294 Willow Avenue building.

Services which Siemens Canada Ltd. will provide to APH include:

- Emergency Online/Phone Response
 - ✓ System and software troubleshooting and diagnostics
- Emergency Onsite Response
 - ✓ Designed to reduce disruptions of downtime when unexpected problems occur
- Replacement & Labour Discount
 - ✓ Preferred labour pricing
- Replacement & Repair Materials Discount
 - ✓ Preferred service parts pricing
- Preventative Maintenance
 - ✓ Designed to extend equipment life, reduce energy consumption and reduce risk of breakdowns (monthly visits)
- Data Protection & Data Recovery Services
 - ✓ Scheduled database back-ups and safe storage of information
- Software Maintenance
 - ✓ Remote service and onsite visits
- Control Loop Tuning
 - ✓ Ensures devices such as valves, dampers, actuators, etc., experience minimized overshooting behavior
- Network Maintenance
 - ✓ Proactive calibration and tuning of data network analyses variables impacting network performance
- Software Supports & Updates
 - ✓ Will provide software updates and training

A Sole Source Justification form is attached in Appendix 1.

FINANCIAL IMPLICATIONS:

The financial commitment of the building automation and security service contract is noted below. It is a 5 year Preventative Maintenance agreement.

Services include 12 visits per year (monthly) annual software upgrades and phone service support as required. Emergency call or repairs not included in the agreement.

Year 1: \$51,665 + HST
 Year 2: \$53,215 + HST
 Year 3: \$54,765+ HST
 Year 4: \$56,355 + HST
 Year 5: \$58,000 + HST

TOTAL value of contract: \$274,000 + HST

CONTACT:

J. Pino, Chief Financial Officer

Appendix 1

ALGOMA PUBLIC HEALTH
SOLE SOURCE PROCUREMENT JUSTIFICATION FORM

Date Submitted	June 29/16
Program	Administration – Facilities
Product/Service:	Siemens Building Automation & Security
Budget Code:	7120-10-190
Provider:	Siemens Canada Ltd. Building Technologies 1108 Webbwood Dr. Sudbury, ON P3C 3B7
Staff requesting	
Program Manager	Manager Building and Facilities
Program Director	CFO/Director of Operations

Situational Assessment:

Algoma Public Health’s current contract with Siemens Canada Ltd. Building Technologies expired at the end of June 2016.

The services provided include building automation and security services related to HVAC control services and the building card access system. Siemens is the manufacturer of the proprietary hardware and software currently installed throughout Algoma Public Health’s building located at 294 Willow Avenue in Sault Ste. Marie.

Sole Source Procurement Justification: *(Please Reference applicable conditions as per Section 5.5 of APH’s Procurement Policy 02-04-030)*

- Compatibility of a purchase with existing equipment, facilities, or services is a paramount consideration
 - Siemens is the manufacturer of the building automation and security equipment currently installed at the 294 Willow Avenue offices of at APH. Siemens is the only provider of the proprietary software used. Siemens created the custom software configuration in the system and provided the application engineering for the project. Siemens is the only service provider who can program the building automation and security panels.

- Where it is most cost effective or beneficial to APH
 - A significant financial commitment was made to this equipment at the time of construction of the building in 2011.
 - If another firm tested and inspected the equipment, and any issues arose, Siemens would generally need to be called in.

- When the procurement is for technical services in connection with the assembly, installation or servicing of equipment of a highly technical or specialized nature
 - Siemens is the only provider who can provide a manufacturer’s extended warranty, including free firmware upgrades.
 - Only Siemens can offer compete servicing of the Siemens equipment in APH’s building.
 - Only Siemens will receive information on Siemens equipment they are attempting to service.

Staff and Management recommend that APH procure the services of Siemens Canada Ltd. Building Technologies for the building automation and security of APH’s 294 Willow Avenue location.

Program Manager Signature: _____

Program Director Signature: _____

Chief Executive Officer Signature (if required) _____

Boar Chair Signature (if required): _____