Waterloo Wellington **LHIN**

BRIEFING NOTE

November 14, 2018

For Decision

Board of Directors 10.4 – WWLHIN Q2 2018/2019 Operating Financials

---

PURPOSE

To provide the Board of Directors with the 2018/19 WWLHIN Operations Financial Report for the period ended September 30, 2018 for recommendation as endorsed by the Finance and Audit Committee.

CORE CONTEXT

- The WWLHIN Q2 2018/19 YTD Operating Financials reflects a YTD surplus of $1,348,000.
- The WWLHIN is projecting a balanced position at year-end.

RECOMMENDATION

THAT the Board of Directors approve the WWLHIN Operations Financial report for the period ended September 30, 2018 as endorsed by the Finance and Audit Committee.

BACKGROUND INFORMATION

The WWLHIN Q2 2018/19 Operating Financials is provided as Appendix 1.

The financial results for WWLHIN operations indicate a September 2018 YTD surplus of $1,348,000. This surplus is largely due to favourable variances in revenues, contracted out patient care expenses, undistributed funds and leasing costs, partially offset by higher than budgeted staffing costs.

A summary regarding significant year to date variances is as follows:

Total Revenue: The favourable variance of $427K in revenues is mainly due to one-time funding for MSK, Health Link and Palliative care offset with carve out from Ontario Renal Network Operating Funding.

Salaries, Wages and Benefits: The unfavourable variance of ($395K) is mainly due to higher than budgeted FTE in patient services positions and a number of project-specific roles. The unfavourable variance is anticipated to increase through the fiscal year.

Direct Operating Costs: The favourable variance of $417K in Patient Care Contracted Out expenses is due to PSW capacity issues. Through implementation of a number of alternative

solutions to get care to patients, an unfavourable variance is anticiated by year end. Other Direct Operationg Cost variances include underspending in supplies, $167K, and undistributed funds $622K. A number of projects underway to modernize administrative functions and releive administrative processes will result in a shift of spend across categories; shifting from paper-based to electronic records has resulted in lower supplies cost, but higher costs in translation fees to convert paper records to electronic systems. The Undistributed Funds line is expected to be fully utilized as system projects, reviews, and transformation continues through the year. Further detail regarding the use of undistributed funds is provided in Appendix 2.

Other Fixed Costs: The favourable variance of $296K is mainly due to a current sublease agreement as well as timing of expenses in maintenance and technology costs.

Governance Costs; The favourable variance of $94K is due to lower than budgeted expenses in all Governance categories, including per diem, travel, conference and education fees, as well a Governor session events and software expenses. To date, per diem expenses have been incurred at 45% of budgeted per diem costs.

NEXT STEPS

The WWLHIN will continue to present financial statements to the Finance and Audit Committee at each meeting of the Committee.

Ontario
Waterloo Wellington Local Health Integration Network

WWLHIN Operations Financial Statement
For the 6 Months Ending September 30, 2018

	YTD Budget	YTD Actual	Variance	Full Year Budget	Full Year Forecast
REVENUE					
WWLHIN Operations Funding	81,871,309	82,539,129	667,820	164,333,883	165,515,668
Digital Health\System Coordinated Access	3,088,000	3,088,000	0	6,176,000	6,176,000
Other	1,069,796	828,925	(240,871)	2,120,387	1,960,387
Amortization of Deferred Capital	66,444	66,444	0	132,895	132,895
TOTAL REVENUE	**86,095,549**	**86,522,498**	**426,950**	**172,763,165**	**173,784,950**
EXPENSES					
Salaries & Wages	18,385,844	18,649,330	(263,486)	36,771,688	37,710,925
Benefits	4,673,294	4,804,967	(131,673)	9,231,100	9,366,863
Salaries, Wages and Benefits	**23,059,138**	**23,454,297**	**(395,159)**	**46,002,788**	**47,077,788**
Patient Care Contracted Out	51,141,799	50,724,934	416,865	102,967,057	103,336,342
Medical Supplies and Equipment	3,150,360	3,218,610	(68,250)	6,300,720	6,420,720
In-Home Teams	520,239	519,739	500	1,040,478	1,040,478
Integrated Assisted Living Program	181,189	189,016	(7,827)	365,290	365,290
Digital Health\System Coordinated Access	3,413,000	3,416,153	(3,153)	6,826,000	6,826,000
Undistributed Funds	1,171,500	550,000	621,500	2,343,000	2,343,000
Memory Clinic	199,998	287,500	(87,502)	400,000	400,000
Consulting Services & Professional Fees	362,146	286,067	76,079	724,296	724,296
Supplies and Other	576,578	409,997	166,581	1,153,157	853,157
Mail, Courier, Telecomm	176,119	210,832	(34,713)	352,235	352,235
Travel Staff General	185,492	169,732	15,760	370,988	370,988
Printing & Translation	214,491	449,621	(235,130)	430,158	630,158
Training & Development	107,226	40,983	66,243	214,460	214,460
Direct Operating Costs	**61,400,137**	**60,473,185**	**926,953**	**123,487,839**	**123,877,124**
Occupancy & Building Grounds	150,525	122,932	27,593	301,050	301,050
Equip Maintenance Contract	120,269	65,309	54,960	240,533	240,533
Rental Lease of Building & Equipment	928,448	748,106	180,342	1,856,897	1,556,897
Business Technology Infrastructure	131,298	97,001	34,297	262,600	262,600
Service Contracts	118,032	119,501	(1,469)	236,063	236,063
Amortization	66,448	66,447	1	132,895	132,895
Other Fixed Costs	**1,515,020**	**1,219,296**	**295,724**	**3,030,038**	**2,730,038**
Governance Costs	**121,252**	**27,720**	**93,532**	**242,500**	**100,000**
TOTAL EXPENSES	**86,095,548**	**85,174,498**	**921,050**	**172,763,165**	**173,784,950**
SURPLUS (DEFICIT)	**0**	**1,348,000**	**1,348,000**	**0**	**0**