



**2017-18 Annual General Meeting
Treasurer's Report
June 20, 2018**

I am pleased to present the Treasurer's Report for Southlake Regional Health Centre Board of Directors.

Southlake has once again successfully met the balanced budget requirements of the Hospital Service Accountability Agreement, achieving an excess of revenues over expenses of \$4.8 million for 2017/18. After accounting for other capital items, such as building depreciation, building grants, and interest expense, a total excess of revenue over expenses of \$296 thousand for the year was reported. The hospital current ratio declined to 0.43 from an opening position of 0.68, caused primarily by spending to date of \$27.8 million on the new Health System Information project. The hospital has secured up to \$40 million in borrowing facilities for the project but has successfully managed operating cash flow to date such that the need for borrowing has not yet materialized. It is expected that borrowing for the project will be executed by the end of 2018/19, at which time the current ratio will return to the target contained in the hospital working capital improvement plan. The hospital remains on track for a current ratio of at least 0.8 in 2020.

The financial results are a noteworthy accomplishment given the challenges faced by the healthcare sector. Thank you to the entire team of skilled healthcare professionals across the organization for this positive result. As we look ahead to 2018/19, the Board of Directors is mindful of the need to sustain the improvements in financial performance while continuing to improve the hospital infrastructure in areas such as information technology and mental health over the next few years.

Your package includes copies of the audited financial statements for the year ending March 31, 2018. I would like to express thanks to our auditors, Deloitte LLP, and members of the Southlake Audit Committee for their services and feedback. I commend the Southlake Finance team who worked hard preparing for the audit, and who consistently prepared monthly information required by the Board throughout the year.

The Board of Directors acknowledges the support of the Ministry of Health and Long-Term Care and the Central Local Health Integration Network (LHIN), our Regional and Municipal Governments, the Southlake Foundation, and generous people from our community, all of whom contributed greatly to the financial success of the hospital.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Paul Roberts", written in a cursive style.

Paul Roberts