

Treasurer's Report

The new St. Joseph's

With many years of restructuring behind us, and our new mental health care facilities and redevelopment of St. Joseph's Hospital complete, 2015/16 was the year we fully became a new St. Joseph's for all patients, volunteers, staff and physicians.

Following the completion of \$584.5 million of investments in our Parkwood Institute Mental Health Care Building, Southwest Centre for Forensic Mental Health Care and the redevelopment of St. Joseph's Hospital last year, St. Joseph's continued to support the renewal of all facilities in 2015/16. This year, supporting St. Joseph's care, teaching and research mission, \$11.6 million was invested in new equipment and \$4.1 million was invested in building-related projects. These investments were funded by \$11.5 million of hospital resources and \$4.2 million of government grants and support from St. Joseph's Health Care Foundation. The generous support of donors through the Foundation is vital to our ability to invest in the future while responding to today's care, comfort and research needs.

Sound fiscal results

St. Joseph's ended the fiscal year with an accounting surplus of \$14.1 million, primarily achieved as a result of unplanned one-time revenues including investment returns. Excluding these one-time revenues, the Hospital ended the year with an accounting deficit of \$0.3 million. Although we don't anticipate the same level of investment returns in the future, the 2015/16 surplus will enable further support and investment in strategic capital needs.

Restricted investments support the current and future capital and other commitments of St. Joseph's and totaled \$172.9 million at March 31, 2016. St. Joseph's investments are externally managed by a professional firm under the stewardship of the investment sub-committee of the board of directors. Our working capital position also remains healthy with a current ratio of 1.7 to 1.0 at March 31, 2016.

Commitment to our patients

Despite significant funding pressures experienced by St. Joseph's in recent years, patient service levels were maintained during 2015/16. Total ambulatory visits increased by 1,523 visits during 2015/16, which is mainly attributable to our service growth plans established with the Ministry of Health and Long-Term Care to increase patient service volumes in our new mental health care facilities and redeveloped space at St. Joseph's Hospital.

St. Joseph's met all performance accountabilities established with the South West Local Health Integration Network. As a significant portion of our funding is contingent on achieving these performance indicators, meeting all accountabilities is critical and a testament to the contributions of many.

St. Joseph's is blessed with the support of dedicated, skilled staff and physicians, compassionate volunteers, responsive partners, and a supportive community. Please accept our thanks for your effective stewardship and performance.

Looking ahead

Funding reform continues to present both challenges and uncertainty for all hospitals, demanding a rigorous budget planning process to respond to the funding formulas as they continue to be refined. St. Joseph's is one of only four teaching hospitals in Ontario that is impacted by all areas of the Ministry's Health-Based Allocation Methodology, which speaks to the complexity of our organization and the many roles St. Joseph's fulfills in our health system.

Change, funding pressures and growing health care needs in our communities are consistent themes that we will continue to experience as we enter 2016/17. St. Joseph's continues to rise to these challenges through our mission and ministry of service, rooted in strong values, a clear strategic plan, and durable fiduciary and leadership principles.

The constant engagement of patients, leaders, physicians, staff, volunteers, donors and our many partners helps us ensure a sound foundation on which we can take new innovative steps and work in partnership with others to address compelling care needs, today and tomorrow.

Attachment

Attached is the financial reporting package for the year ended March 31, 2016, including draft audited financial statements.

Recommendation

The Resource Planning and Audit Committee advises the Board of Directors to recommend to the St. Joseph's Health Care Society the approval of St. Joseph's Health Care London's audited financial statements for the year ended March 31, 2016.