



London Health Sciences Centre

2006 - 2007

Financial Statement Highlights

## Statement of Financial Position

[in thousands]

	2007 \$	2006 \$
<b>Assets</b>		
Current assets	<b>104,363</b>	84,906
Restricted cash	<b>5,581</b>	—
Investments	<b>2,903</b>	2,903
Capital assets	<b>593,643</b>	609,603
	<b>706,490</b>	697,412
<b>Liabilities and Net Assets</b>		
Current liabilities	<b>230,634</b>	252,169
Long-term liabilities and deferred contributions	<b>391,783</b>	412,450
Capital lease obligations	<b>4,013</b>	2,197
<b>Net assets</b>		
Invested in capital assets	<b>162,746</b>	154,801
Unrestricted	<b>(82,686)</b>	(124,205)
	<b>706,490</b>	697,412

LHSC's working capital ratio of 0.45:1 is an improvement over last year's position but continues to highlight our liquidity challenges. During the year, the hospital relied on a temporary cash advance and bridge loan to meet current obligations. The financial health of the hospital did improve during 2006-07 due to the hospital's strategic focus on cash and expense management and as a result of an external review sponsored by the Ministry of Health and Long-Term Care.

## Statement of Cash Flows

[in thousands]

	2007 \$	2006 \$
<b>Cash provided by (used in)</b>		
Operating activities	<b>48,368</b>	21,650
Financing activities	<b>(20,039)</b>	102,741
Investing activities	<b>(42,446)</b>	(99,065)
Net increase (decrease) in cash	<b>(14,117)</b>	25,326
Cash (bank indebtedness), beginning of year	<b>22,714</b>	(2,612)
Cash and restricted cash, end of year	<b>8,597</b>	22,714

Total net cash decreased by \$14.1 million in 2006-07. The hospital invested \$42.5 million in capital assets during the year, financed by a combination of operations, capital grants from the London Health Sciences Foundation and the Children's Health Foundation, the Ministry of Health and Long-Term Care, and other agencies. Cash provided by operating activities is partially related to year-end funding adjustments from the External Review mentioned above.

# Statement of Operations

[in thousands]

	<b>2007</b>	<b>2006</b>
	<b>\$</b>	<b>\$</b>
<b>Revenues</b>		
Ministry of Health and Long-Term Care	<b>701,545</b>	635,326
Other	<b>151,545</b>	133,639
	<b>853,090</b>	768,965
<b>Expenses</b>		
Salaries and benefits	<b>527,066</b>	495,466
Other	<b>305,195</b>	277,142
	<b>832,261</b>	772,608
Surplus (deficit) before under-noted items	<b>20,829</b>	(3,643)
Net restructuring costs	<b>(665)</b>	(11,627)
Ministry of Health and Long-Term Care – One-Time Funding	<b>29,300</b>	11,625
Surplus (deficit)	<b>49,464</b>	(3,645)

LHSC's surplus in 2006-07 was \$49.5 million. This surplus includes \$29.3 million in one-time funding to assist the hospital in retiring debt associated with the former Energy from Waste project. The hospital would have had an overall deficit of approximately \$15 million in 2006-07 without Ministry new base and one-time funding directed towards operations and restructuring as a result of the External Review.

*The audited financial statements of LHSC are available by calling 519-685-8500, extension 58465.*



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Annotationes

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A M E R I C A

S E P T E M T R I A L I S

N U E U A  
 G R E N A D A

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