

# *WELCOME*

to the

## **64<sup>th</sup> ANNUAL MEETING**

of

**SOUTH HURON HOSPITAL  
ASSOCIATION**

**Thursday, June 8, 2017**

**7:00 p.m.**





# VISION MISSION VALUES

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## **Our VISION**

To improve the overall health and well-being of our communities through being a leader and working with partners in an integrated and sustainable rural health care system.

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## **Our MISSION**

As your healthcare partner close to home, dedicated to quality and safe patient care we will:

- Treat everyone with respect, compassion and dignity
  - Place patients and families as a core focus
  - Build a workplace environment where all staff, physicians and volunteers feel valued and have opportunities to grow
  - Strengthen and expand our relationships with stakeholders and health care partners
  - Demonstrate our social responsibilities and good stewardship of all resources
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## **Our VALUES Which Translate Into Actions**

**CARING** – We will provide excellent care, and make our patients, staff, physicians and volunteers feel cared about.

**ACCESSIBLE** – We will overcome barriers, and work to ensure our patients have care “close to home”.

**RESPONSIVE** – Working hard to reduce wait times for services. We want our communities to know they can find help with their questions and concerns about their care.

**INTEGRITY** – We will make ethical decisions, embrace positive change, and face challenges with the intent to make the system better for those we care for.

**NETWORKING** – We will build strong collaborative relationships that provide our communities with health promotion strategies and solutions that are understandable with transitions that are seamless and easy to navigate

**GROWTH** – We will be good stewards of our resources, with worthwhile growth objectives and goals that stretch our physicians, staff and volunteers to reach their full potential as we strive to achieve our vision and mission.

***SOUTH HURON HOSPITAL ASSOCIATION***

***ANNUAL GENERAL MEETING***

***Thursday, June 8, 2017***

***Boardroom B110 - 1900 Hours (7:00 p.m.)***

***A G E N D A***

- |           |  |                          |
|-----------|--|--------------------------|
| <b>1</b>  | <b>Welcome and Call to Order</b>                                 | <i>Christina Godbolt</i> |
| <b>2</b>  | <b>Notice of Meeting</b>   | <i>Christina Godbolt</i> |
| <b>3</b>  | <b>Minutes of the 63rd Annual Meeting</b> <i>(June 23, 2016)</i> | <i>Christina Godbolt</i> |
| <b>4</b>  | <b>Reports to the General Membership</b>                         |                          |
|           | 4.1 Chair  | <i>Christina Godbolt</i> |
|           | 4.2 President & Chief Executive Officer                          | <i>Todd Stepanuik</i>    |
|           | 4.3 Chief of Staff   | <i>Dr. Ken Milne</i>     |
|           | 4.4 Auxiliary  | <i>Shelley Bourne</i>    |
|           | 4.5 Auditor <i>(Vodden, Bender &amp; Seebach)</i>                | <i>Paul Seebach</i>      |
| <b>5</b>  | <b>Governance Nomination Committee</b>                           |                          |
|           | 5.1 Report of Governance Nomination                              | <i>Christina Godbolt</i> |
| <b>6</b>  | <b>Auditors</b> <i>(appointment)</i>                             | <i>Christina Godbolt</i> |
| <b>7</b>  | <b>Ratification of Acts of Board of Governors for 2016/2017</b>  | <i>Christina Godbolt</i> |
| <b>8</b>  | <b>New Business</b>  | <i>Christina Godbolt</i> |
| <b>9</b>  | <b>Other Business</b>  | <i>Christina Godbolt</i> |
| <b>10</b> | <b>Recognition of Staff/Physicians/Out-going Trustees</b>        | <i>Christina Godbolt</i> |
| <b>11</b> | <b>Closing Remarks</b>   | <i>Christina Godbolt</i> |
| <b>12</b> | <b>Adjournment</b>   | <i>Christina Godbolt</i> |



***SOUTH HURON HOSPITAL ASSOCIATION  
ANNUAL GENERAL MEETING***

**Held in Boardroom B110  
South Huron Hospital Association  
Thursday, June 23, 2016  
1900 Hours**

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- 1) The 63rd Annual Meeting of the South Huron Hospital Association (“SHHA”) was held in the Hospital Boardroom, John McNeilly, Chair, presiding. John confirmed a quorum was present with approximately sixteen (16) voting members and the meeting commenced at 1900 hours. John welcomed all those in attendance; staff, community members and special guests; Mayor Maureen Cole, Municipality of South Huron, Jeff Low, SW-LHIN Board Chair, Dawn Butler, Board Chair, Middlesex Hospital Alliance, Pat O’Rourke, Board Chair SHH Foundation, Bridgette Johnston, MYFM and Scott Nixon of the Exeter Times Advocate.

The Board Chair introduced the SHHA Board Members and expressed thanks for their dedication and leadership during the past term.

- 2) A notice of the 63rd Annual Meeting was published in the Exeter Times Advocate and Lakeshore Advance for two (2) consecutive weeks, in accordance with SHHA Hospital By-Laws.
- 3) Minutes of the 62nd Annual Meeting June 25, 2015.

***Moved by: Adam Skillen***

***Seconded by: Karen Brown***

***Motion: To approve the minutes of the 62nd Annual General Meeting, as distributed. Carried***

- 4) Reports to the General Membership  
The following five (5) reports were presented as contained in the Hospital Annual Report.

Board Chair (*John McNeilly*)

President & Chief Executive Officer (*Todd Stepanuik*)

Auditor (*Paul Seebach -Vodden, Bender & Seebach*)

Chief of Staff (*Dr. Ken Milne*)

Auxiliary (*Shelley Bourne*)

***Moved by: Karen Brown***

***Seconded by: Ellen Shapiro***

***Motion: To accept the five (5) general reports to the membership as presented. Carried***

5) Governance Nomination Report

Christina Godbolt reported -

... the following directors are nominated to the Board of Directors of South Huron Hospital Association for a further two (2) year term:

*Ellen Shapiro  
Karen Brown  
Christina Godbolt  
Roberta Teahen*

... the following representatives hold non-voting status on South Huron Hospital Association Board of Directors:

*Todd Stepaniuk, President & Chief Executive Officer  
Dr. Ken Milne, Chief of Staff  
David Fillekes, Director of Clinical Services and Chief Nursing Executive*

**Moved by:** *Rob Morley*

**Seconded by:** *Adam Skillen*

**Motion:** *To accept the Governance Nomination Committee Report for the Board of Directors for the year 2016/2017. Carried*

6) Auditors

The firm of Vodden, Bender & Seebach will continue as auditors for the South Huron Hospital Association for the fiscal years 2016/2017 to 2021.

**Moved by:** *Karen Brown*

**Seconded by:** *Shelley Bourne*

**Motion:** *To approve the appointment of the firm of Vodden, Bender & Seebach as auditors for the South Huron Hospital Association for the fiscal years 2016/2017 to 2021. Carried*

7) Ratification of Acts of Board of Governors for 2015/2016

**Moved by:** *Adam Skillen*

**Seconded by:** *Christina Godbolt*

**Motion:** *I move that all acts, contacts, by-laws, proceedings, appointments, elections and payments, approvals, enacted made, done and taken by the Directors and Officers of the Association and their agents since the date of the last Annual Meeting of Members of the South Huron Hospital Association hereof, as appear in the minutes of the meetings of the Members and the meetings of the Board of Directors, or unrecorded, or as set out in the*

*financial statements, be approved, sanctioned and confirmed.* *Carried*

8) South Huron Hospital Association By-Law Amendments

The Board has approved amendments to the By-Laws in order to allow for appropriate flexibility during times of vacancies on the Board.

*Moved by: Drew Robertson*

*Seconded by: Karen Brown*

*Motion: To confirm the amendments to the Corporate By-Laws of the South Huron Hospital Association, passed by the Board of Governors and as presented to the voting members prior to the Annual General Meeting.* *Carried*

9) Other Business

No other business

10) Recognition of Staff and Physicians/Out-going Trustees

John referred to the report contained in the Annual Report listing the service award recipients, ranging from five (5) to thirty-five (35) years for the period of July 1, 2015 to June 30, 2016.

On behalf of the Board, John McNeilly expressed congratulations along with recognition of appreciation to the following people for their respective years of service to the hospital:

Staff Recognition

Steve Martin (20 years)

Sheri Leis (20 years)

Sandra Herron (10 years)

Sheri Mathers (5 years)

Brittney Hockey (5 years)

Sheila Jeffrey (5 years)

Physician Recognition

Dr. William (Liam) O'Connor (45 years)

Dr. Yasmin Mussani (10 years)

Dr. Nelson Chan (5 years)

Dr. Emily Kelly (5 years)

Special recognition and presentations to; Dr. William O'Connor for 45 years of dedicated service to the community; Adam Skillen for being an ultimate team player, who is leaving the Board after three (3) years, John McNeilly, for wisdom, guidance and leadership as Board Chair for past three (3) years and Faye Reichert for dedication to the hospital.

Recognition to Those Who Have Passed

John McNeilly asked for a moment of silence. This moment of silence is to remember those who have passed, having had an association with our hospital family.

11) Closing Remarks/Adjournment

On behalf of the Board and the Hospital leadership team, John thanked everyone for attending and invited all to join for a social time with refreshments provided.

12) The 63rd Annual General Meeting adjourned at 2000 hours.

**Moved by: Karen Brown**

**Seconded by: Rob Morley**

**Motion: To adjourn the June 23, 2016 Annual General Meeting of  
South Huron Hospital Association. Carried**

\_\_\_\_\_  
John McNeilly,  
Chair

\_\_\_\_\_  
Christina Godbolt,  
Secretary

DRAFT



***Board Chair  
Report to the  
Annual General Meeting  
South Huron Hospital Association  
June 8, 2017***

Over the past year, the Board held ten regular monthly meetings to meet the fiduciary duties of a governance board and to accomplish a wide array of deliverables which is outlined in the Annual Work Plan each September. Changes to our meeting start times and day of the month allowed for one additional meeting to be scheduled this past year. This was to accommodate the additional work load on our very heavily scheduled CEO.

We welcomed one new Director and the formal addition of a South Huron Hospital Foundation representative to the board table this year. Throughout the year, we have participated in OHA sponsored education events to further Director's exposure to issues facing the health care sector and expand our knowledge base.

John McNeilly has led the Board through discussions with Jim Whaley who is the expert in the field of "health hubs" so that we can plan strategically the transformational changes that are in our future. We moved into the twenty first century and now have a social media presence due to the knowledge and expertise of Karen Brown. Karen has spent countless hours scheduling articles and healthcare related events to our SHHA Facebook page. This is another tool for the hospital to engage with the community and we are just getting started.

All of our Governors are volunteers. They dedicate many hours every month preparing for, and attending board meetings and other various committee meetings. Collectively, we make better decisions and speak as one voice. It is difficult to convey how truly thankful we are to have every single one of them around the table, but this is an opportunity to thank each of them for their time, energy and dedication for our "Little Hospital that Does..."

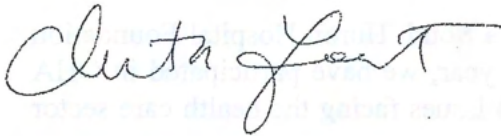
The Hospital relies so much on funding support from the community to remain a viable part of the community, so we want to thank a couple of our funding partners. South Huron Hospital Foundation is one of our major funders as well and this past year, they funded the newly designed and renovated Nursing Station and Emergency entrance projects. Thank you to the Foundation! We look forward to continuing our relationship with the Foundation as we find projects for them to engage the community to fund. The South Huron Hospital Auxiliary plays a vital role on our board as a voting member, and also in providing much needed funds for Hospital equipment. We are in constant amazement of their rummage sale totals and are beyond thrilled to have their support.

A massive thank you to Todd and his leadership team on their relentless work on the SHHA financial budget over the past year. They have made incredible strides to reach the PIP goal of a balanced budget by March 31, 2018. This has not been an easy task and the Board recognizes the effort and constant vigilance from each department to make this a reality.

As a small Hospital, we are not able to hire a full time CEO. For SHHA to have in place, a CEO of Todd's calibre is outstanding. We are truly blessed to have him on our side, fighting the fight for the Little Hospital that Does. Todd does this every day and he does this with grace, solid principles and always with a sincere care for people. Thank you for understanding that Todd cannot be on site five days a week but that in his absence, the leadership and the culture he is establishing is always present.

Please accept this report on behalf of the Board of Governors of the South Huron Hospital Association (SHHA).

Respectfully submitted,



Christina Godbolt  
Board Chair

*President & CEO Annual Report  
to the  
South Huron Hospital Association  
Annual General Meeting  
June 8, 2017*

Good evening, ladies and gentleman, it is a distinct pleasure and honour for me to be with you and present my CEO address.

It is my great pleasure to once again welcome all of you to our Annual General Meeting – an opportunity to reflect and celebrate the transformational moments we've experienced over the past year and to acknowledge the successes of our talented team of staff, physicians, and volunteers. It's hard to believe that three incredible years have passed so quickly since I joined SHHA in the role of President & CEO. During this time, our organization has experienced tremendous advancement and I truly believe that the key to our success has always been Our People and our ability to collaborate. Together, we are delivering on our vision.

We have much to celebrate over the past year, and I would like to share with you some of our successes. It is no surprise that our clinical programs continue to achieve outstanding results, embrace innovation, and demonstrate their commitment to delivering patient centered care.

It does not take long, once you are here, to realize that care and compassion are alive and well; our patient satisfaction rates help point to that fact. We are, however, on a journey that never ends and that journey is to improve each and every patient's experience. We recognize that patients are seldom simply a single individual requiring care, but are members of families and communities that need to be respected and incorporated into care planning. Patients and families are our partners, not passive recipients we do things "to and for". The path we are on is helping us embed the philosophies of patient and family centered care into all of our care practices. This will also improve how we work together and how we support transitions in the care continuum as safe and seamless as possible.

Throughout the healthcare sector, hospitals are being asked to do more with less. This past year has been an exciting time for SHHA, but it has not been without its challenges. As a leadership team, we faced difficult decisions to ensure we kept our promise to our patients, families and our community to be good financial stewards. We have been able to achieve this due to the tremendous support and efforts of our management team, our staff, physicians, and volunteers.

During this past fiscal year, we have placed a great deal of focus on ensuring that our financial matters are in order and positioning ourselves for the future. Under the guidance of our finance team, we've implemented processes to ensure that all members of the team are aware of our financial commitments and the impact it can have on our ability to provide safe, quality care. I'm happy to report that through continued diligence the hospital's financial position is better than budgeted. As we move forward, we are committed to keeping a watchful eye on controlling and tracking costs and holding ourselves accountable for every dollar that comes in and goes out of our organization without ever losing sight of our commitment to safe, quality care.

An important learning for me is that the job of a leader is to build a work environment that supports people using their own talents to solve problems, to test their ideas with their teams to find the right solutions and to produce results that matter to the patients and families we serve. I am convinced this is a path, maybe the only path, to sustainable and continuous improvement in both the patient and staff experience. I am not saying that the work of building this environment is finished. That is a long journey. However, I have learned how imperative it is to be on that path.

The most important partnerships in delivering innovative health care are the ones we have developed and will continue to build with people in our community. Engagement will be a cornerstone of our work as we design and implement our community's healthy future. We will continue to engage with our staff, patients and the community as active participants to ensure that their voices remain a strong guiding presence in the planning, design and delivery of our health services.

### **Funding Challenges:**

Funding issues continue to be at the forefront of challenges plaguing us. The stark economic reality for us, and the majority of hospitals in the province of Ontario, is that funding simply has not kept pace with costs.

As a hospital, we have a great deal of reliance on the South West LHIN as 80%+ of our funding is allocated to us by the LHIN. To provide some context as to our ability/inability to generate revenue, the next major revenue stream for us is parking revenue. The majority of cost drivers are those which are beyond our control such as:

- volume of ALC patients,
- mandated yet unfunded programs,
- increasing reporting requirements,
- energy rates,
- insurance costs,
- fixed costs,
- heightened infection control requirements,
- high occupancy rates,
- cost of new drugs, and
- interfacility transportation.

As a not-for-profit business, we have a responsibility to operate within our means and balance at the bottom line if we are to optimize our overall financial health and keep pace with the government's new healthcare funding model. As an organization, we are continually striving to ensure our working capital position, improve cash flow and current ratio, and to optimize our financial health overall.

This past year our front line staff, management and physicians worked tirelessly to innovate and find financial and clinical efficiencies while maintaining our commitment to high quality, safe care. I can assure you this is no easy task.

In the present era of fiscal restraint by the provincial government and inflationary cost increases such as hydro and wages, over which we have no control, balancing the service demands against a somewhat frozen amount of funding revenues is an ongoing challenge.

Despite an onslaught of financial pressures, SHHA has continued to invest in patient care. The following are examples of our unwavering commitment despite the fiscal realities to better meet the needs of our patients:

#### **MAID:**

On June 17, 2016, after much debate in the House of Commons and the Senate, the federal government passed Bill C-14 (*An Act to amend the Criminal Code and to make related amendments to other Acts (medical assistance in dying)*), establishing the federal framework under which certain individuals can request and receive medical assistance in dying (“MAID”) in Canada.

From my personal perspective, this is one of the most complex and sensitive issues the system has had to encounter. I believe it adds an entirely new and permanent dimension to healthcare services. Given the diversity of opinions on this matter and the fact that it is an emotional one SHHA needed to gauge the sentiment of our family to determine the extent of conscientious objection.

After many engagement sessions with Staff, Physicians, and Clergy, and with thoughtful informed discussions on Bill C-14, the SHHA opted to accept MAID as a possible service option for eligible patients (MAID involves the administration of toxic doses of drugs in order to hasten death). An important consideration was to acknowledge the rights of patients.

To ensure SHHA was compliant with applicable legislation, we established a working group whose mandate was to form policy and procedures. They worked tirelessly to ensure SHHA was ready for any potential MAID request. My sincere thanks to them as they invested a great deal of time and energy in overseeing this for the SHHA.

We are committed to providing compassionate, patient-centered care to all its’ patients. Offering Medical Assistance In Dying as one of the possible options for end-of-life care to qualifying patients is about offering compassionate and high-quality care at a difficult time for SHHA patients and their families.

#### **HIRF and Infrastructure Improvements:**

I am pleased that SHHA continues to benefit from one time HIRF dollars. For the 2016/17 fiscal year, we submitted a variety of projects under such and received one-time funding in the amount \$310,212 as part of the Government’s Health Infrastructure Renewal Fund (HIRF).

At SHHA, the funds for 2016/17 were targeted to: safety initiatives when working at heights, upgrades to domestic hot water services, improvements to Patient washroom water systems, a complete replacement of the hospital’s kitchen floor as well as significant upgrades to some of the other equipment contained within the kitchen and a retrofit of both facility’s phone system,

bringing digital voice over internet telephony to SHHA, as well as improvements to Patient room nurse call and lighting connectivity.

For the first time, we submitted projects under the category of Extenuating Circumstances and were successful in securing about \$275,000 for the telephone system replacement and the hot water tanks.

The Health Infrastructure Renewal Fund (HIRF) was established in 1999 to assist public hospitals renew their healthcare facilities. Changes to the program were introduced in 2004 and again in 2007 with the establishment of the Local Health Integration Networks (LHINs). HIRF Grants are designed to supplement hospitals' existing renewal programs and helps hospitals to address these needs on a priority basis.

Two other major renovation projects were undertaken at SHHA involving a complete retrofit of the Inpatient Nursing Station and the emergency front entrance courtesy of the generosity of the South Huron Hospital Foundation.

My sincere thanks and gratitude to the SHHA Foundation for its ongoing steadfast support as the nursing station renovations as well as the main entrance/ED wait room renovations were funded solely by them.

### **Indigenous Training:**

Equity for Indigenous Peoples is an important pillar for the SW LHIN. SHHA has promoted and has had several staff complete the **Indigenous Cultural Competency Training (ICC)**. The excellent on-line education enlightens healthcare workers to understand the situations which have led to poor health outcomes and how to work with that population to improve those outcomes.

### **Patient Satisfaction:**

The excellent ratings from the patient satisfaction data speak directly to the compassionate care that our staff and physicians provide to our patients. In excess of 90% of patients, who visited SHHA, would recommend this organization to their family and friends. This is a great achievement for "*The Little Hospital That Does*". It is just reward for our staff, who all strive to meet the needs and expectations of our patients. The hospital is well integrated into the community and community members refer to SHHA as '*their*' hospital.

### **Accreditation:**

SHHA is scheduled for an on-site Accreditation Survey review on October 16-19, 2017.

### **College of Pharmacy Inspection:**

New to our quality agenda this past year was the Ontario College of Pharmacists inspection process for the Hospital Pharmacy. As of August 1, 2016, all pharmacies operating and providing pharmacy services to patients in public or private hospitals in Ontario must be accredited and undergo routine assessments by the Ontario College of Pharmacy.

These assessments of hospital pharmacies will be conducted annually. The inspection frequency is dependent on the activities performed at the pharmacy and the risk of harm those activities pose to patients, such as the preparation of sterile products.

When hospital practice advisors from the College visit a hospital pharmacy to conduct an assessment, they assess its operations and processes against hospital assessment criteria, similar to the process that will be conducted by Accreditation Canada this fall.

On March 27 SHHA was inspected. Kudos to Tammy Wharram and Andrew Messiha for performing so well against a brand new set of standards.

### **Joint Health & Safety Training:**

SHHA provided Health and Safety Certification for all members of the Joint Health & Safety Committee (JHSC). This was a significant investment by SHHA in both time and dollars. This 3-day course provides individuals with the skills they require to identify, assess and control hazards in the workplace and to fulfill the legislated duties and requirements as per the WSIB standards.

The Committee plays an essential role in ensuring our staff have the safest possible work environment.

### **Senior Friendly:**

Seniors account for 63% of all acute inpatient days and 43% of all provincial health expenditures in Ontario. We know that over the next two decades, Ontario will experience a significant demographic shift, more than doubling the number of seniors in our population. To prepare for tomorrow, we need to implement solutions for better seniors care today. As you are aware, seniors are three times more likely to be hospitalized than younger people and a hospital stay can have a major influence on their health and well being.

The SHHA goal is to promote hospital practices that better meet the physical, cognitive, and psychosocial needs of older adults.

The Senior Friendly Hospital Strategy, in applying an evidence-based framework to the development of age-appropriate hospital care, is therefore strongly aligned with the SHHA Strategic Plan.

## **Choosing Wisely:**

Choosing Wisely Canada (CWC) is a campaign to help clinicians and patients engage in conversations about unnecessary tests and treatments and make smart and effective choices to ensure high-quality care.

Unnecessary tests and treatments do not add value to care. In fact, they take away from care by potentially exposing patients to harm, leading to more testing to investigate false positives and contributing to stress for patients. And of course unnecessary tests and treatments put increased strain on the resources of our health care system.

Canadian national specialty societies participating in the campaign, representing a broad spectrum of clinicians, have been asked to develop lists of “Five Things Clinicians and Patients Should Question.” These lists identify tests and treatments commonly used in each specialty, but are not supported by evidence, and/or could expose patients to unnecessary harm.

Choosing Wisely Canada is modeled after the Choosing Wisely campaign in the United States, which was launched by the ABIM Foundation in April 2012. SHHA has been an early adopter of Choosing Wisely recommendations.

**Quality Based Procedure (QBP) order sets** – A provincial clinical initiative quality-focused project to develop and implement digital QBP order sets funded by the Ministry of Health and Long-Term Care. Order sets are evidenced based and being developed in relation to our top 5 Case Mix Group (CMG’s).

SHHA has established a committee to create/update our order sets. The committee is working in collaboration with Think Research to ensure order sets are current and meet best practice guidelines. The order sets are then customized to be specific to our site only.

To date, SHHA has approved 3 order sets including Chronic Obstructive Pulmonary Disease (COPD), Community Acquired Pneumonia (CAP) and Acute Coronary Syndrome (ACS).

## **Patient and Family Advisory Council:**

Exemplary patient care includes listening and learning from others and incorporating new ideas and perspectives to continually improve care, SHHA is launching its first Patient and Family Advisory Council (PFAC) to bring together patients, family members and hospital personnel in an ongoing effort to enhance the patient care experience. The hospital is seeking patients, and/or family members, to join this new PFAC. This new Council will provide a formal and structured forum to encourage reflective feedback and elicit suggestions for improvement from our community on the care and services at SHHA. Patients and their families are recognized as being knowledgeable members of the care team, and can offer unique perspectives and valuable feedback regarding the standard of care they receive. This is a new engagement initiative, focused on utilizing patient feedback to continually improve the hospital experience.



SHHA has many opportunities to receive feedback from care recipients on its services and programs. These opportunities include daily rounding by nursing with patients and families, follow-up phone calls to discharged patients, various surveys, feedback given to the Patient Relations Office and the Speaker's Bureau.

PFAC members will become trusted volunteer advisers to the organization to help embed the voice of patients into all aspects of care including actions, decisions and planning. Members will be able to reflect on their own experiences with SHHA and offer meaningful and actionable suggestions on how the organization could improve the patient experience at the Hospital or the primary care location.

The Patient and Family Advisory Council will be a cornerstone of our patient centered strategy.

### **Bill 45 – Making Healthier Choices Act**

Bill 45, *Making Healthier Choices Act*, received Royal Assent May 28, 2015. One component of this bill allows the government to enact regulations banning smoking at specific institutions. The government has proposed regulations that would ban smoking on hospital premises generally, while providing hospital boards with the discretion to designate specific outdoor smoking areas within certain parameters.

The Smoke-Free Ontario Act came into force on May 31, 2006. The Act prohibits smoking in enclosed workplaces and enclosed public places as well as in vehicles in Ontario. Smoking is also prohibited within a nine (9) metre radius of any entrance or exit of a hospital as defined in the Public Hospitals Act.

#### Facts About Tobacco Use:

- Tobacco-related diseases have been estimated to account for \$1.6 billion in direct healthcare costs and 500,000 hospital days annually.
- Tobacco kills approximately 13,000 Ontarians (36 per day) and 37,000 Canadians each year.
- Diseases caused by second hand smoke include:
  - heart disease;
  - lung cancer;
  - nasal/sinus cancer;
  - respiratory disease.
- 300 non-smokers will die of lung cancer and at least 700 non-smokers will die of coronary heart disease caused by exposure to second hand smoke.
- Tobacco is the leading cause of preventable death and illness in Ontario.
- Tobacco is responsible for 80-90% of all COPD.
- Each year, more than 1,000 non-smoking Canadians die from second hand smoke.
- Breathing in second hand smoke can also trigger asthma attacks and increase your chances of getting bronchitis and pneumonia.
- Toronto Public Health has concluded that Smoking costs the Ontario economy \$2.6 billion in productivity losses each year.
- On any given day in Canada, over 23,000 hospital beds are being occupied by current smokers.

- In 2009, Prince Edward Island set a Canadian precedent by becoming the first province to prohibit smoking on hospital property.

When it comes to the effects of smoking, no organization should be more aware of the perils associated with second hand smoke than SHHA. Going smoke-free, sent a clear message to our communities that prevention is as important as treatment of illness and that we, at the SHHA, are committed to providing a safe and healthy environment. This action clearly demonstrates our commitment to health promotion and disease prevention.

During this past year we said goodbye to three members of the corporate team: Jimmy Trieu, David Fillekes and Faye Reichert. SHHA is pleased to have been successful in recruiting Gina Taylor as the interim CNE replacing David. I am also thrilled to have Katie Willert who has admirably stepped into Faye's shoes.

My message would not be complete without taking the opportunity to celebrate the diverse gifts and talents involved in service at the SHHA. Special recognition must be given to the Board of Directors for their ongoing dedication and outstanding contributions to SHHA. Thank you for the commitment and courage you have shown in the face of challenges and continuous uncertainty because of the political nature of healthcare. I would also like to personally thank Christina Godbolt - Board Chair who has been a steady hand and a sharp mind over the course of this past year. You have lent the board of directors your considerable skills as a relationship builder, spokesperson, and community leader over the course of this past year as you have served in the role of Chair. Thank you for your ongoing support.

Instrumental to our ongoing success is the unwavering support of the Foundation and the Auxiliary. I would like to commend each of the Foundation's trustees and Kimberley Payne for their selfless devotion, and to enhancing patient care at our hospital. As we reflect on the past year, I would also like to thank the Foundation for all that you have done and continue to do, to inspire acts of giving within our community. Equally important is the inspiring and tireless efforts of the auxiliaries. I extend my thanks to the Auxiliary members under the leadership of Shelley Bourne for their boundless enthusiasm and enduring support. Their contributions have been integral to our success. The hospital is indebted to these two (2) organizations. I indeed feel privileged to work alongside such dedicated, caring people.

To the members of the management team, whom I feel that I am blessed for having the opportunity to work with each and every day, thank you for your insight, dedication and support. I cannot find words to thank you enough for the support that I have experienced from each one of you. It is such a privilege to work with you. To Dr. K. Milne who has continued to provide strong leadership and guidance to the medical staff. He is the voice of reason and a true facilitator for both the physicians and patients

To members of our hospital staff and medical staff; your individual commitment on a daily basis to our patients is the reason why SHHA has such a stellar reputation. All of you deliver outstanding service to our clients by personalizing, humanizing and demystifying the hospital experience. This is both an exciting and a challenging time in healthcare and I cannot imagine a more able and ready leadership team with which to meet these challenges head on.

Finally, I would also like to acknowledge the efforts of Katie Willert, my Executive Assistant. I firmly believe that success in a CEO role is highly dependent on the EA. She is without question a true gem. Her work can be arduous. If nothing else, simply balancing my schedule is a nightmare. I offer her my heartfelt gratitude for her loyalty, support and patience. Thank you Katie for helping me even when I didn't know I needed help, keeping me on track and also helping me keep my sense of humour. You are truly wonderful in so many ways. You are my second brain.

The year ahead will no doubt bring many new challenges arising from the continued financial constraints and expected health system transformation with the "Patients First" legislation. We feel confident that with the continued support of everyone here at the Hospital, of our community stakeholders, the South West Local Health Integration Network and our residents, those challenges will be turned into opportunities to better serve the needs of our patients and their families. We will live up to our mantra of "The little hospital that does".

In closing, I want to offer my heartfelt thanks to each one for their passion and dedication. Together we will achieve a new kind of health care for a healthier community.

Thank you.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Todd Stepanuik", with a stylized flourish at the end.

Todd Stepanuik  
President & CEO



**Chief of Staff  
Report to the  
Annual General Meeting  
South Huron Hospital Association  
June 8, 2017**

2016-17 has been another very good year for *The Little Hospital That Does*.

I would like to thank the medical staff for their commitment and dedication to ensure that patients get the best care possible closest to home.

We went through some renovations at the front entrance of the hospital and nursing station this year. Despite the temporary disruptions the team came together to provide excellent care.

There are many ongoing projects at South Huron Hospital Association. I would like to highlight three:

1. **CT Scanner:** The Medical Advisory Committee continues to look at how best to obtain advanced imaging (CT scans) for patients in a timely fashion. Middlesex Health Alliance (Strathroy) has been providing a very good service. However, it still requires us to transport patients to another facility often with a nurse to get a CT scan. We are actively looking at possible local solutions. The goal is that patients get the right diagnostic imaging they need when they needed it to make decisions for their care.
2. **Mental Health:** Access to mental health services is a very important issue. I have been working with the LHIN and local psychiatrist to improve access to care during times of crisis and to prevent emergency issues. While challenges continue I remain optimistic we will find solutions to help these patients in need. (optimistic)
3. **Staffing:** The medical staff works well to provide out patient care in primary care offices and at the local nursing homes/retirement homes in the community. We have a dedicated team of physicians providing emergency care. We are fortunate to maintain full coverage through the summer. The in-patient service continues to be anchored by Drs. Patel and Chan.

Great care does not take place in isolation. It takes a team of caring nurses, administrators, hospital staff, volunteers and physicians with a goal of providing excellent care. It is a privilege to be the Chief of Staff at South Huron Hospital Association and work with such wonderful people.

Sincerely,

Ken Milne  
MD, MSc, CCFP-EM, FCFP



***SHH Auxiliary  
Report to the  
Annual General Meeting  
South Huron Hospital Association  
June 8, 2017***

The South Huron Hospital Auxiliary is approaching its 65th year. In the fall of 1952, a dedicated group of people came together to act as support to our hospital that opened in 1953. And all these years later, 118 members are still at it.

Our meetings are at 2 p.m. in the Boardroom, on the second Tuesday of the month, 7 times a year. This past year, Todd Stepanuik gave us updates on Provincial, SWLHIN and SHHA health news, Certified Podiatrist Jeff Walker spoke of services he can provide Thursday mornings here at SHHA, Kimberly Payne and Maria Hamather told us of Jessica's House, and Bonnie Sitter talked of the Poppy Project in commemoration of the 100th anniversary of the 161st Huron Battalion. Shelley McFee spoke about One Care Home and Community Services, and Jennette Sears of the Alzheimer's Society informed us about their iPods for Memories program. At Christmas, we enjoyed, once again, entertainment and a wonderful lunch by SHHA staff.

Our Gift Shop has had an exciting new facelift of fresh paint and new lighting during the SHH front entrance renovation. We have great appreciation for the work of Shirley Kirk, who retired from the position of Gift Shop Committee Chair last fall. Her team of Joanne Bowen, Deb Johnson, and Mary Brintnell continue with new Chairperson, Eleanor Blommaert, who is busy shopping for great items to keep the shop freshly stocked. About 44 Auxiliary volunteers working 2 hour shifts are required each month. Profits over the last year have totalled \$5,398.19.

The well attended Fall and Spring Rummage Sales and Auction, under the leadership of Linda Russell and Cathy Cade, are each accomplished by hundreds of volunteer hours by about 200 men and women. The profits of the sales continue to improve, with the last two netting a total of \$26,500. We are also thrilled to have received South Huron Municipality Community Grants that cover the cost of renting our venue, the South Huron Rec Centre.

Our 2016 Raffle, drawn in December, resulted in \$3,000 for our lucky winner and \$3,000 profit for us.

All monies raised by the Auxiliary are mandated to improve patient care at SHHA. This past year, \$37,300 has been donated towards the purchase of new electric beds.

Vice President Anne Helm and I attended the Hospital Auxiliaries Association of Ontario regional President's Day in Seaforth in September. Thirteen of our members attended Spring Conference hosted by the Wingham and District Hospital Auxiliary.

As my first year as President of our Auxiliary ends, I am proud to be a part of this team of dedicated volunteers, and look forward to another great year.

Respectfully submitted,

Shelley Bourne  
President, SHH Auxiliary

SHH Auxiliary  
Report to the  
Annual General Meeting  
South Huron Hospital Association  
June 8, 2017

The South Huron Hospital Auxiliary is approaching its 50th year. In the fall of 1967, a dedicated group of people came together to set up what is our hospital that opened in 1971. And all these years later 178 members are still in it.

Our meetings are on 2nd in the basement, on the second Tuesday of the month. 7 times a year. This past year, Todd Stephens gave us updates on Provincial, SW, HIN and SHHA coming news. Certified Professional Jeff Walker spoke to us on providing Thursday morning help at SHHA. Kimberly Payne and Elaine Hueston spoke to us on the 10th anniversary of the John Hannon School. Shirley Burtin spoke about Our Own Home and Community Services and Jennifer Burtin of the Alzheimer's Society advised us about their work for Memory Loss. We discussed our support of the aging population and a wonderful lunch by SHHA staff.

Our Gift Shop has had an exciting new assortment of fresh fruit and nuts lighting during the SHH! food culture renovation. We have great appreciation for the work of Sandy Kirk who stepped from the position of Gift Shop Committee Chair last fall. Her team of Joanne Bowler, Deb Johnson, and Stacy Burtin continue with new Chairperson, Kieron Blomquist, who is busy preparing for next year to keep the shop thriving. About 44 Auxiliary volunteers working 2 hours a week are prepared each week. Prizes over the last year have reached \$2,192.19.

The well-stocked fund and Spring Revenue Sales and Auction under the leadership of Linda Knight and Cathy Gable are each completed by hundreds of volunteers from 100 men and women. The number of the sales continue to improve with the last two reaching a total of \$26,000. We are excited to have received South Huron Hospital Auxiliary Community Grants that cover the cost of making our vision the South Huron Kid Centre.

Our 2016 Report, given in December, reached a 23,000 for our lucky winner and 23,000 for us.

All money raised by the Auxiliary is needed to improve patient care at SHHA. This past year, \$27,000 has been donated towards the purchase of new electric beds.

As I reported to you last year, I attended the Hospital Auxiliary Association of Ontario regional President's Day in Toronto in September. Twelve of our members attended Spring Conference hosted by the Wingham and Elgin Hospital Auxiliary.

As my first year as President of our Auxiliary ends, I am proud to be a part of this team of dedicated volunteers and look forward to another great year.



Vodden, Bender & Seebach, LLP  
Chartered Professional Accountants  
1000-10th Avenue S.W.  
Calgary, Alberta T2C 1A5  
403-263-1111

Vodden, Bender & Seebach, LLP  
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors and Members of the South Huron Hospital Association

We have audited the accompanying financial statements of the South Huron Hospital Association which comprise the balance sheet as at March 31, 2017, and the statements of financial position, operations and cash flows for the period then ended, and the notes to the financial statements.

**SOUTH HURON HOSPITAL ASSOCIATION**  
**FINANCIAL STATEMENTS**  
**MARCH 31, 2017**

Our audit was conducted in accordance with the standards of the Chartered Accountants of Alberta. These standards require that we plan and perform the audit to obtain reasonable assurance that the financial statements are free from material misstatement, whether caused by error or fraud. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements present a true and fair view of the financial position, operations and cash flows of the South Huron Hospital Association as at March 31, 2017, and for the period then ended, in accordance with the standards of the Chartered Accountants of Alberta.

At the time we performed our audit procedures, we did not identify any areas where the financial statements may not be in accordance with the standards of the Chartered Accountants of Alberta. However, we are not responsible for the future performance of the South Huron Hospital Association, and we do not provide any assurance regarding the future performance of the South Huron Hospital Association.

We have no responsibility for the audit of the financial statements of the South Huron Hospital Association for periods other than those included in this report.

The financial statements of the South Huron Hospital Association as at March 31, 2017, and for the period then ended, are the responsibility of the Board of Governors and Members of the South Huron Hospital Association.

**VODDEN, BENDER & SEEBACH LLP**  
**Chartered Professional Accountants**

Vodden, Bender & Seebach LLP  
Chartered Professional Accountants

P.O. Box 758  
41 Ontario Street  
CLINTON, ONTARIO N0M 1L0  
Tel:(519) 482-7979  
Fax:(519) 482-5761  
vbs@vbbsca.ca

## INDEPENDENT AUDITOR'S REPORT

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To the Board of Governors and Members of the South Huron Hospital Association

We have audited the accompanying financial statements of the South Huron Hospital Association, which comprise the balance sheet as at March 31, 2017, and the operating fund statement of revenue and expenses and fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the South Huron Hospital Association as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

*Vodden, Bender & Seebach LLP*

Chartered Professional Accountants  
Licensed Public Accountants

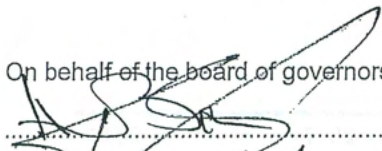

Clinton, Ontario  
June 1, 2017

**SOUTH HURON HOSPITAL ASSOCIATION  
BALANCE SHEET**

See Accompanying Notes to Financial Statements

As at March 31	2017	2016
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	647,951	698,426
Short term investments	28,305	54,678
Accounts receivable (note 2)	340,529	265,409
Inventories	89,498	94,295
Prepaid expenses	88,861	81,723
Due from South Huron Hospital Foundation (note 8)	243,982	150,000
	<u>1,439,126</u>	<u>1,344,531</u>
Long term investments	<u>2,877,395</u>	<u>2,663,949</u>
<b>Capital assets</b>		
Capital assets, net book value (note 3)	<u>3,918,851</u>	<u>3,589,953</u>
	<u>\$ 8,235,372</u>	<u>\$ 7,598,433</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	1,158,617	874,480
Employee future benefits (note 6)	115,200	109,100
Deferred revenue (note 4)	433,234	343,687
	<u>1,707,051</u>	<u>1,327,267</u>
<b>Long term liabilities</b>		
Employee future benefits (note 6)	680,700	618,200
Deferred revenue (note 4)	2,848,284	2,427,301
	<u>5,236,035</u>	<u>4,372,768</u>
<b>Net assets</b>		
Invested in capital assets	663,614	833,264
Unrestricted - committed (note 9)	573,850	678,051
Unrestricted - uncommitted	1,596,119	1,570,568
	<u>2,833,583</u>	<u>3,081,883</u>
Accumulated remeasurement gains (losses)	165,754	143,782
	<u>2,999,337</u>	<u>3,225,665</u>
	<u>\$ 8,235,372</u>	<u>\$ 7,598,433</u>

On behalf of the board of governors:

  
.....  
  
.....

**SOUTH HURON HOSPITAL ASSOCIATION  
OPERATING FUND STATEMENT OF REVENUE AND EXPENSES**

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2017	2016
<b>Revenue</b>		
Local Health Integration Network / Ministry of Health		
- Base Funding	7,360,614	7,119,900
- One Time Funding	7,757	12,400
- HOCC Funding	106,196	106,196
- Paymaster Funding	150,703	165,617
- Other Votes	3,300	3,300
Recoveries and miscellaneous	467,772	515,123
Amortization of deferred grants and donations - equipment	237,799	339,710
OHIP and patient revenue	2,326,793	2,384,064
Differential and copayment revenue	47,010	43,605
	<u>10,707,944</u>	<u>10,689,915</u>
<b>Expenses</b>		
Salaries, wages and purchased services	4,912,018	5,078,926
Medical staff services remuneration	1,923,933	1,960,420
Employee benefits	1,641,654	1,532,361
Supplies and other expenses	1,819,952	1,833,364
Medical and surgical supplies	164,056	162,973
Drugs and medical gases	171,013	163,816
Bad debts	4,071	2,019
Other votes - property taxes	3,300	3,300
Depreciation - equipment	252,700	249,149
	<u>10,892,697</u>	<u>10,986,328</u>
<b>Excess (deficiency) of Revenue over Expenses from Hospital Operations</b>	<b>(\$ 184,753)</b>	<b>(\$ 296,413)</b>
Amortization of deferred grants and donations - building	150,624	145,939
Depreciation - building and building service equipment	<u>(214,171)</u>	<u>(219,261)</u>
<b>Excess (deficiency) of Revenue over Expenses for the year</b>	<b><u>(\$ 248,300)</u></b>	<b><u>(\$ 369,735)</u></b>

**SOUTH HURON HOSPITAL ASSOCIATION  
STATEMENT OF REMEASUREMENT GAINS AND LOSSES**

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2017	2016
Accumulated remeasurement gains (losses), beginning of year	143,782	357,703
Unrealized holding gains (losses) attributable to investments	<u>21,972</u>	<u>(213,921)</u>
<b>Accumulated remeasurement gains (losses), end of year</b>	<b><u>\$ 165,754</u></b>	<b><u>\$ 143,782</u></b>

**SOUTH HURON HOSPITAL ASSOCIATION  
OPERATING FUND STATEMENT OF CASH FLOWS**

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2017	2016
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses for the year	(248,300)	(369,735)
Items not requiring (not providing) cash		
Depreciation	466,871	468,410
Working capital provided from operations	218,571	98,675
Cash provided from (used for) changes in operational balances		
Accounts receivable	(75,120)	(38,443)
Inventory	4,797	154
Prepaid expenses	(7,138)	19,066
Accounts payable and accrued liabilities	284,137	59,933
Employee future benefits	68,600	(70,193)
Deferred revenue	510,530	26,261
Due to/from South Huron Hospital Foundation	(93,982)	(145,668)
Cash provided from (used for) operating activities	<u>910,395</u>	<u>(50,215)</u>
<b>Capital activities</b>		
Net disposals (purchases) of capital assets	(795,769)	(636,262)
	<u>(795,769)</u>	<u>(636,262)</u>
<b>Financing and investing activities</b>		
Net investment sales (purchases)	(191,474)	(199,360)
	<u>(191,474)</u>	<u>(199,360)</u>
Increase (decrease) in cash	(76,848)	(885,837)
Cash and short term investments, beginning of year	<u>753,104</u>	<u>1,638,941</u>
Cash and short term investments, end of year	<u>\$ 676,256</u>	<u>\$ 753,104</u>

**SOUTH HURON HOSPITAL ASSOCIATION**  
**STATEMENT OF CHANGES IN NET ASSETS**  
 See Accompanying Notes to Financial Statements

For the Year Ended March 31

2017

2016

	Invested in Capital Assets	Unrestricted - Committed	Unrestricted - Uncommitted	Total	Total
Balance, beginning of year	833,264	678,051	1,570,568	3,081,883	3,451,618
Excess (deficiency) of revenues over expenses	(466,871)		218,571	(248,300)	(369,735)
Net change in investment in capital assets	297,221		(297,221)	-	-
Interfund transfers		(104,201)	104,201	-	-
<b>Balance, end of year</b>	<b>663,614</b>	<b>573,850</b>	<b>1,596,119</b>	<b>\$ 2,833,583</b>	<b>\$ 3,081,883</b>

# SOUTH HURON HOSPITAL ASSOCIATION

## NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2017

### 1. Significant accounting policies

#### Nature of organization

The South Huron Hospital Association ("Hospital") is principally involved in providing health care services to the residents of the South Huron and surrounding municipalities. The Hospital is incorporated without share capital under the Corporations Act (Ontario) and is a charitable organization within the meaning of the Income Tax Act (Canada).

#### Basis of presentation

The financial statements of the Hospital have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs").

#### Revenue recognition

The Hospital follows the deferral method of accounting for contributions which include donations and government grants.

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

#### Contributed services

The Hospital is dependent on the voluntary services of many individuals. Since these services are not normally purchased by the hospital and because of the difficulty in estimating their fair market value, these services are not recorded in these financial statements.

#### Inventories

Inventories are valued at the lower of cost and net realizable value.

#### Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the hospital's ability to provide services, its carrying amount is written down to its residual value. Amortization is provided on assets placed into use on the straight-line basis over their estimated useful lives as follows:

Land improvements	10 - 20 years
Buildings	50 years
Building service equipment	20 - 25 years
Equipment	3 - 25 years

#### Vacation pay

Vacation pay is accrued for all employees as entitlements to these payments is earned.

#### Deferred building and equipment grants

Provincial and municipal building and equipment grants and donations received by the hospital are deferred and amortized on a straight-line basis at a rate corresponding with the depreciation rate for the related building or equipment.

#### Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

**SOUTH HURON HOSPITAL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**For the Year Ended March 31, 2017**

**1. Significant accounting policies (continued)**

**Investments**

The Hospital has classified all stocks and bonds as available-for-sale which are carried at fair value. Bank guaranteed investment certificates are classified as held-to-maturity and are carried at cost. A write down of the carrying amount of held-to-maturity investments is charged against income when evidence indicates a permanent decline in the underlying value and earning power of an investment. Gains and losses on disposal of held-to-maturity investments are determined on a completed transaction basis.

**2. Accounts receivable**

	<b>2017</b>	<b>2016</b>
Ministry of Health	124,223	113,721
Insurers and patients	18,715	19,154
Other	<u>197,591</u>	<u>132,534</u>
	<u>\$ 340,529</u>	<u>\$ 265,409</u>

**3. Capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value 2017</b>	<b>Net book value 2016</b>
Land	249,131	-	249,131	249,131
Land improvements	261,165	202,570	58,595	65,020
Buildings	5,952,290	3,667,764	2,284,526	2,199,850
Major equipment	5,199,106	4,116,335	1,082,771	1,075,952
Construction in progress	<u>243,828</u>	<u>-</u>	<u>243,828</u>	<u>-</u>
	<u>11,905,520</u>	<u>7,986,669</u>	<u>3,918,851</u>	<u>3,589,953</u>

**4. Deferred revenues**

	<b>2017</b>	<b>2016</b>
Deferred grants from Ministry of Health	1,988,897	1,719,091
Deferred donations	1,266,340	1,037,598
Other	<u>26,281</u>	<u>14,299</u>
	<u>\$ 3,281,518</u>	<u>\$ 2,770,988</u>

**5. Pension plan**

Full-time and part-time employees of the hospital may be eligible to be members of the Hospitals of Ontario Pension Plan which is a multi-employer final average pay contributory pension plan. Employer contributions made to the plan during the year by the hospital amounted to \$403,177 (2016: \$415,415). These amounts are included in expenses in the operating fund statement of revenue and expenses and fund balance.

**6. Employee future benefits**

The Hospital accrues its obligations under employee benefit plans and the related costs. The Hospital has adopted the policy that the cost of retirement benefits earned by employees is actuarially determined using the projected unit method pro-rated on service and management's best estimate of salary escalation (where applicable), retirement ages of employees and expected health care costs. The Hospital provides extended health care, dental and life insurance benefits to substantially all full-time employees.

At March 31, 2017, the Hospital's accrued benefit obligation relating to post-retirement benefit plans is \$795,900 (2016: \$727,300).



**SOUTH HURON HOSPITAL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

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**For the Year Ended March 31, 2017**

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**7. Financial instruments**

The Hospital's financial instruments consist of cash and short-term investments, accounts receivable and accounts payable. It is management's opinion that the Hospital is not exposed to significant interest and credit risks arising from these financial instruments. The fair value of the financial instruments approximates their carrying amount.

**8. Disclosure of economic interest**

The South Huron Hospital Foundation (the "Foundation") is incorporated without share capital under the laws of the Province of Ontario and is a registered foundation under the Income Tax Act (Canada). The Foundation was established to receive and maintain a fund or funds and to apply from time to time all or part thereof for charitable purposes carried on by, in connection with, in relation to, for the benefit of or to enhance or improve the health care services in the area serviced by the South Huron Hospital and to do all such things as are incidental or conducive to the attainment of these objectives. The Foundation is managed and controlled independent of the Hospital.

During the year ended March 31, 2017, the Foundation provided donations totalling \$375,813 (2016: \$394,683) to the Hospital.

**9. Commitments on unrestricted net assets**

During the year, the Board of Directors committed \$573,850 (2016: \$678,051) of unrestricted net assets for specific capital development. These internally committed amounts are not available for other purposes without approval by the Board of Directors.

**10. Financial risks and concentration of credit risks**

**Credit risk**

Credit risk refers to the risk that a counterpart may default on its contractual obligations resulting in a financial loss. The Hospital is exposed to credit risk with respect to the accounts receivable.

The Hospital assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Hospital at March 31, 2017 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the operating fund statement of revenue and expenses. Subsequent recoveries of impairment losses related to accounts receivable are credited to the operating fund statement of revenue and expenses. The balance of the allowance for doubtful accounts at March 31, 2017 is \$ 2,824 (2016: \$4,456).

There have been no significant changes to the credit risk exposure from 2016.

**Liquidity risk**

Liquidity risk is the risk that the Hospital will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Hospital manages its liquidity risk by monitoring its operating requirements. The Hospital prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There have been no significant changes to the liquidity risk exposure from 2016.

**Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Hospital's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investments.

**SOUTH HURON HOSPITAL ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS (continued)**

**For the Year Ended March 31, 2017**

**10. Financial risks and concentration of credit risks (continued)**

**Interest rate risk**

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

There has been no change to the interest rate risk exposure from 2016.

## SOUTH HURON HOSPITAL ASSOCIATION BOARD OF GOVERNORS 2016/2017

### *Voting Board Members*

Christina Godbolt  
John McNeilly  
Aileen Knip  
Karen Brown  
Rob Morley  
Ellen Shapiro  
Roberta Teahen  
Drew Robertson  
Kay Wise  
Brad Sheeler  
Shelley Bourne

Chair (*Exeter*)  
Past Chair (*Exeter*)  
Vice Chair (*Exeter*)  
Treasurer (*Exeter*)  
Member (*Exeter*)  
Member (*Exeter*)  
Member (*Exeter*)  
Member (*Crediton*)  
Member (*Hensall*)  
Member (*Lucan*)  
Auxiliary Representative (*Exeter*)

### *Non-Voting Board Members*

Todd Stepanuik  
Dr. Ken Milne  
David Fillekes

Gina Taylor

President & CEO/Secretary (*Strathroy*)  
Chief of Staff (*Goderich*)  
Director of Clinical Services/C.N.E. (*London*)  
(*until January 2017*)  
Interim Chief Nursing Executive (*Wyoming*)  
(*June 2016*)

## LEADERSHIP TEAM

President & CEO  
Chief of Staff  
Director of Clinical Services/CNE  
Interim Chief Nursing Executive  
Director of Human Resources  
Chief Financial Officer  
Director Ambulatory Services  
Director of Diagnostics/Operations

Todd Stepanuik  
Dr. Ken Milne  
David Fillekes (*until January 2017*)  
Gina Taylor (*started June 2016*)  
Liz Kendall  
Darlene Borland  
Heather Klopp  
Bill Brintnell



**GOVERNANCE NOMINATION REPORT  
SLATE OF DIRECTORS FOR 2017/2018**

The following directors are nominated to the  
Board of Directors of South Huron Hospital Association  
for a one (1) year term:

*Brad Sheeler*  
*Bruce Shaw*

The following director is nominated to the  
Board of Directors of South Huron Hospital Association  
for a further one (1) year term:

*John McNeilly*

The following directors are nominated to the  
Board of Directors of South Huron Hospital Association  
for a further two (2) year term:

*Aileen Knip*  
*Kay Wise*  
*Drew Robertson*

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The following representatives hold non-voting status  
on the SHHA Board of Directors:

*Todd Stepanuik, President & Chief Executive Officer*  
*Dr. Ken Milne, Chief of Staff*  
*Gina Taylor, Interim Chief Nursing Executive*

Christina Godbolt, Chair  
Executive, Governance & Planning  
Committee  
South Huron Hospital Association



# EMPLOYEE SERVICE AWARDS

## ANNUAL REPORT

July 1, 2016 - June 30, 2017

Years of Service	Name	Department
40	Charlene Finkbeiner	Nursing
35	Charlotte Elliott Susan Hoogenboom	Housekeeping Laboratory
30	Glenda Lewis Vicki Geoffrey Karen Snow	Dietary Housekeeping Registration
25	Mary McCrae Connie Stewart	Registration Laboratory
15	Cathy Pavkeje Christa DeGrace	Nursing Physiotherapy
10	Caroline Klaver Melissa Wilson Darlene Borland Doug Campbell Katie Willert Kelly Gilmore Carisa Richardson Jessica Keller	Finance Registration Finance Physiotherapy Administration Diagnostic Imaging Finance Registration
5	Jennifer Skinner Lori Stephens Heather Kaufman Remko Timmerman Nancy Gethke Jane Luc Kathleen Anderson Candace Blanchard Tammy Wharram	Speech Nursing Central Processing/Ward Aid IT Registration Diagnostic Imaging Diagnostic Imaging Registration Pharmacy

# PHYSICIAN SERVICE AWARDS

ANNUAL GENERAL MEETING  
July 1, 2016- June 30, 2017

Years of Service	Name	Current Practice
35	Dr. Ming Lam	<i>Family Practice South Huron Medical Centre</i>
15	Dr. Jaime Pereira	<i>SHHA ER and Hospitalist</i>
10	Dr. Mike Hammond	<i>SHHA ER Family Practice Grand Bend &amp; Area CHC</i>



