

W E L C O M E

to the

65th ANNUAL MEETING

of

**SOUTH HURON HOSPITAL
ASSOCIATION**

Thursday, June 14, 2018

7:00 p.m.

VISION MISSION VALUES



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.

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
-

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 14, 2018

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

A G E N D A

- | | | |
|-----------|---|--|
| 1 | Welcome and Call to Order | <i>Christina Godbolt</i> |
| 2 | Notice of Meeting | <i>Christina Godbolt</i> |
| 3 | Minutes of the 64th Annual Meeting (June 8, 2017) | <i>Christina Godbolt</i> |
| 4 | Reports to the General Membership | |
| | 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 & Seebach</i>) | <i>Paul Seebach</i> |
| 5 | Governance Nomination Committee | |
| | 5.1 Report of Governance Nomination | <i>Christina Godbolt</i> |
| 6 | New Business | <i>Christina Godbolt</i> |
| | 6.1 South Huron Hospital Association By-Law Amendments | |
| 7 | Other Business | <i>Christina Godbolt</i> |
| 8 | Recognition of Staff/Physicians/Out-going Trustees | <i>Christina Godbolt</i>
<i>Dr. Peter Englert</i>
<i>Aileen Knip</i> |
| 9 | Closing Remarks | <i>Christina Godbolt</i> |
| 10 | Adjournment | <i>Christina Godbolt</i> |

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

**Held in Boardroom B110
South Huron Hospital Association
Thursday, June 8, 2017
1900 Hours**

- 1) The 64th Annual Meeting of the South Huron Hospital Association (SHHA) was held in the Hospital Boardroom, C. Godbolt, Chair, presiding. C. Godbolt confirmed a quorum was present with ten (10) voting members and the meeting commenced at 1900 hours. C. Godbolt welcomed all those in attendance; staff, Leaders, and guests; Neil MacLean, incoming Chair of the Middlesex Hospital Alliance Board of Directors and Scott Nixon of the Exeter Times Advocate.

C. Godbolt expressed thanks to the Governors for their continued volunteerism, commitment and engagement.

Special recognition was given to John McNeilly, who was recently recognized at the June 1st SHHA/MHA Board Meeting for his insight and leadership in identifying opportunities for joint ventures between SHHA and MHA. John was recognized with another member of the MHA Board.

- 2) A notice of the 64th 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 63rd Annual Meeting June 23, 2016.

Moved by: Rob Morley

Seconded by: Aileen Knip

Motion: To approve the minutes of the 63rd Annual General Meeting, as presented. Carried.

- 4) Reports to the General Membership

The following five (5) reports were included in the Annual Report.

Board Chair (*Christina Godbolt*)

President & Chief Executive Officer (*Todd Stepamuk*)

Chief of Staff (*Dr. Ken Milne*)

Auxiliary (*Shelley Bourne*)

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

Moved by: Karen Brown

Seconded by: Kay Wise

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

5) Governance Nomination Report

C. Godbolt reported -

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*

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

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

Moved by: Ellen Shapiro

Seconded by: Karen Brown

*Motion: To accept the Governance Nomination Committee Report for the
Board of Directors for the year 2017/2018. Carried.*

6) Auditors
The firm of Vodden, Bender & Seebach will continue as auditors for the South Huron Hospital Association for the fiscal year 2017/2018 to 2021. Their multi-year appointment was approved in 2016.

7) Ratification of Acts of Board of Governors for 2016/2017

Moved by: Brad Sheeler

Seconded by: Roberta Teahen

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.

9) Other Business
No other business

10) Recognition of Staff and Physicians/Out-going Trustees
C. Godbolt referred to the report contained in the Annual Report listing the service award recipients, ranging from five (5) to forty (40) years for the period of July 1, 2016 to June 30, 2017.

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

Staff Recognition

40 Years

Charlene Finkbeiner

35 Years

Charlotte Elliott
Susan Hoogenboom

30 Years

Glenda Lewis
Vicki Geoffrey
Karen Snow

25 Years

Mary McCrae
Connie Stewart

15 Years

Cathy Pavkeje
Christa DeGrace

10 Years

Caroline Klaver
Melissa Wilson
Darlene Borland
Doug Campbell
Katie Willert
Kelly Gilmore
Carisa Richardson
Jessica Keller

5 Years

Jennifer Skinner
Lori Stephens
Heather Kaufman
Remko Timmerman
Nancy Gethke
Jane Luc
Kathleen Anderson
Candace Blanchard
Tammy Wharram

Physician Recognition

35 Years

Dr. Ming Lam

15 Years

Dr. Jaime Pereira

10 Years

Dr. Mike Hammond

Board Recognition

Special recognition and presentation to Rob Morley, who is leaving the Board after eight (8) years.

11) Closing Remarks/Adjournment

On behalf of the Board and the Hospital leadership team, C. Godbolt thanked everyone for attending.

12) The 64th Annual General Meeting adjourned at 1924 hours.

Moved by: Rob Morley

Seconded by: Ellen Shapiro

Motion: To adjourn the June 8, 2017 Annual General Meeting of South Huron Hospital Association. Carried.

Christina Godbolt,
Chair

Todd Stepanuik,
Secretary

***Board Chair Report to the
Annual General Meeting
South Huron Hospital Association
June 14, 2018***

Over the past year, the Board held nine 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 every September.

We welcomed one new Director in the fall. 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. We set up meetings with government representatives to advocate for the South Huron Hospital Association with the purposeful intent to secure more funding for the hospital. The provincial funding for small and rural hospitals is abysmal and across the province this sector is feeling the pinch of a mandated 2% base funding increase while we continue to see fixed costs increase steadily at a rate of 4-5% per year. It is not difficult to see the financial impact on an organization with such a funding formula. The province (more specifically the SW LHIN – South West Local Health Integration Network) funds the operations of the hospital. However, the bricks and mortar and equipment are all funded solely through the generous donations of the community in which we live and the further reaching catchment area. Thank you to everyone who continues to make the South Huron Hospital Association a recipient of your donation dollars. We all understand the pressures placed on everyone to donate to several charities and we want each of you that donate to the hospital, to know that this never goes unnoticed, is beyond all things appreciated to its fullest, and makes a direct impact to the lives of patients that visit us here at the South Huron Hospital. Our funding partner, 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. They continue to exceed their rummage sale totals each event but don't forget that they also run the Hospital Gift Shop! Visit them today. We are beyond thrilled to have their continued and dedicated support. Another significant funding partner is The South Huron Hospital Foundation. Last year they said yes to over a million dollars in capital equipment requests (the largest being the DI equipment upgrades) and this year agreed to another massive dollar figure. We cannot thank them enough for their continued support. Their board is another amazing set of volunteers who we need to thank in a big way.

All of our Governors / Trustees (whatever name you wish to use) are volunteers. They dedicate many hours every month preparing for and attending board meetings and other various committee meetings. Just to clear up any misconceptions, there is zero payment received for being a SHHA Board Trustee. 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...”.

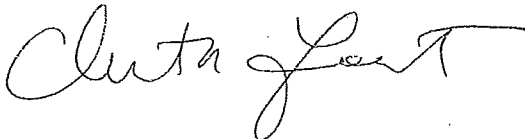
I personally need and want to thank Katie for her 24 hour a day 7 day a week support for me. I have never had someone to help me with anything and I feel as though I have been very spoiled and now don't know how I will ever go on without her. Thank you so much Katie.

The Board signed Dr. Milne as the Chief of Staff for a final three-year term and we split the roles of Chief of Staff and Chief of the Emergency Department. Dr. Sean Ryan is our Chief of ED. The board is pleased to have access to the medical support and direction provided by Dr. Milne and Dr. Ryan.

We wish to thank Todd and his leadership team on their relentless work on the SHHA financial budget over the past year. They not only achieved the PIP (performance improvement plan) target to be balanced by March 31, 2018 but they were in a surplus position. This has not been an easy task and the Board recognizes the effort and constant vigilance from each department to make this a reality.

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

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Christina Godbolt".

Christina Godbolt, Board Chair

*President & CEO Annual Report
to the Annual General Meeting
South Huron Hospital Association
June 14, 2018*

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 have experienced over the past year and to acknowledge the successes of our talented team of staff, physicians, and volunteers. It is 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 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 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 have 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.

During my time as CEO, I have witnessed remarkable achievements and advancements, and a notable shift toward system thinking, balancing the greater healthcare needs of our communities, while finding ways to work together to achieve this. It is about sustaining the future of healthcare in our communities, which will evolve to be more partnership based as the future unfolds.

Building Improvements – 2017/18 Funding:

SHHA benefits through three major categories of Capital Infrastructure Investments; HIRF (Health Infrastructure Renewal Funding), HIRF-ECP (Exceptional Circumstance Project) and HEPP (Health Energy Efficiency Program).

I am pleased that SHHA continues to benefit from one time HIRF dollars. For the 2017/18 fiscal year, we submitted a variety of projects under such and received one-time HIRF funding in the amount \$62,536. ECP funding equated to an allocation of \$1,290,000. HEPP funding received totaled \$112,800.

My many thanks to Bill Brintnell, Jennifer Peckitt, Gina Taylor and the entire SHHA family for the oversight and patience with the recent construction projects. Once again, the staff at SHHA have proven their dedication and commitment to our Hospital. Over the last several months, I have witnessed the staff pull together to ensure the safety of our patients and visitors was never compromised. I am truly proud of this team of individuals!

The projects that have been achieved are:

- Rooftop safety railings Phase 2
- Boiler burner updates
- Asbestos abatement
- Twinned water lines
- Hot and cold domestics services (primarily clinical areas)
- Hot water heating controls (primarily clinical areas)
- Twinning and upgrades of electrical services (primarily clinical areas)

- LED lighting retrofit (primarily clinical areas)
- Expansion of controls for hot water heating
- Retrofit of lab HVAC unit
- Emergency retrofit of Kitchen HVAC unit
- DI x-ray room retrofit
- As a result of this work, approximately 85-90% of known asbestos has now been abated.

E1 Health (Transportation):

Inter facility transportation continues to be a major cost pressure within the organization. In addition, there are times when Voyageur cannot meet their contractual time requirements. In January 2018, SHHA saw this as an opportunity to be innovative. Under the leadership of myself, Gina Taylor and Dr. Ken Milne, SHHA entered into a trial period with E1 Transportation. E1 vehicles are all electric vehicles and the company prides themselves on providing faster, cheaper, safer and cleaner transportation. To date, feedback has been positive and SHHA will continue to utilize the services of E1 Health while maintaining the contractual relationship with Voyageur.

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.

I am pleased that SHHA was successful in ending the fiscal year in the black.

Accreditation:

SHHA was surveyed on October 16-19, 2017.

Our Accreditation Canada surveyors, Dawne Barbieri and Dr. Naveed Mohammad conducted a thorough review of SHHA during a four day onsite visit. The SHHA was evaluated on (as part of the accreditation survey) on over 1363 standards. We achieved a 98.6% success rate. This is indeed a testament to the never ending focus by all to exceptional care for which the entire SHHA family should be very proud of.

Members of our SHHA family including Directors, front-line staff, physicians, board members, community partners and patients were interviewed throughout the Clinical and Administrative Tracers and all were complemented on their level of commitment to the organization and their focus on quality and safety.

The findings shared by the surveyors during the debrief are particularly gratifying, because they show that the surveyors clearly understood the sincere desire and continuing commitment and passion of the entire SHHA family. In addition, they recognized our incredibly caring, innovative and values based culture. This feedback shared is an illustration of what we do every day; putting patients first in everything we do.

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 has launched 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 always seeking patients, and/or family members, to join the PFAC. This Council is providing 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 have 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.

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 last two years. 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 Auxilians. 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. This year we also welcomed Jennifer Peckitt – SHHA Site Director & CNE to SHHA. Jennifer “hit the ground running” in February 2018 and continues demonstrate strong leadership while working to propel the organization forward.

I wish to offer my sincere thanks to Gina Taylor, who fulfilled the role of Interim Chief Nursing Executive since June 2016. Gina has made an incredible impact on the organization in so many

ways. I think I can speak for the entire leadership team when I say we are so very grateful for her dedication and commitment to The Little Hospital That Does.

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. If nothing else, simply balancing my schedule is a nightmare. I offer her my heartfelt gratitude for her loyalty, support and patience. Remembering the television show MASH, Katie is the Radar O'Reilly. I haven't heard her yell 'chopper" yet, but in every other aspect she has the same ability to anticipate everyone's needs.

The year ahead will no doubt bring many new challenges. 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. Together we will achieve a new kind of health care for a healthier community.

Respectfully submitted,

A handwritten signature in black ink, appearing to read 'Todd Stepanuik', with a long horizontal flourish extending to the left.

Todd Stepanuik
President & CEO

*Auxiliary President Annual Report
to the Annual General Meeting
South Huron Hospital Association
June 14, 2018*

The South Huron Hospital Auxiliary has had a busy year supporting South Huron Hospital. We have 123 members, including 4 Provincial Life members, and 3 Local Life members.

We held our monthly meetings in the hospital Boardroom at 2 p.m. on the second Tuesday of Sept., Oct., Nov., Mar., Apr., and May. This past year, Karen Brown taught us about falls prevention and aging safely, Ron Helm marked Remembrance Day with us, we formally met our new Site Director/CNE - Jennifer Peckitt, and Jamie Stanley, OPP Community Services Officer, made us aware of fraud prevention.

In November, we held an Open House and Tea which was in celebration of our 65th year. In April, we hosted the HAAO South Central Region Spring Conference. Two committees must be thanked for their many hours of preparation and planning required for the two successful events.

The Gift Shop, under Eleanor Blommaert's management, continues to have increased sales and profit. Approximately forty-five different Aux. members work two hour shifts each month in the gift shop with Deb Johnson doing the scheduling.

Our well attended Fall and Spring Rummage Sales and Auctions made record profits of \$33,000. Each sale, our community continues to drop off unbelievable amounts of donations in support of South Huron Hospital, then over 250 volunteers spend approx. 2,000 hours sorting, selling, and packing up those items. Once again, thank you to conveners Linda Russell and Cathy Cade and their committee. Also, we were fortunate to again receive a Municipality of South Huron Community Grant which paid the rental of the Rec Centre.

We are always pleased to be asked to volunteer within the hospital. We were happy to assist the public in finding their way into and around the building during last summer's installation of the new front doors, and in March during the scheduled power outage.

This year, \$37,000 raised and donated by the SHH Auxiliary will purchase an icare tonometer, a bladder scanner, and three CADD pumps, to improve patient care in South Huron Hospital.

My two year term as President of the Auxiliary and as Auxiliary Representative to the Board of Directors is ending. It has been a very enriching experience for me. Anne Helm will take over as the new President and Aux. Representative for the next term.

Respectfully submitted,

Shelley Bourne



1) Mental Health: This continues to be a top priority. Patients with mental health issues need to have access to timely care. Multiple meetings were held through the year to advocate for these patients. Our new CNE, Jennifer Pickett and I will be continuing a dialog with our regional partners within the LHIN (OPP, EMS, Crisis Workers, Psychiatrists and other hospitals) to ensure patients get the care they deserve.

2) Non-Urgent Patients: An innovative and successful pilot project was conducted over two months at SHHA. We became the first hospital in the world to move non-urgent patients in an all-electric vehicle. This provided safer, faster, cleaner and cheaper transfers of patients between hospitals and nursing homes.

3) Electronic Health Records (EHRs): After much discussion and debate the medical advisory committee recommended to the board not to proceed with further implementation of the Cerner EHR at this time. We will continue to explore our options and consider applying functionality that makes sense for our rural community hospital.

4) Staffing: We have seen some physicians leave or retire from the SHHA family this year but also gained some new staff. It was a healthy amount of turnover and we continue to be well positioned to provide full hospital services to the community.

We will be entering another cycle of strategic planning in the near future and I look forward to participating in the process to ensure that we remain the *Little Hospital that Does*.

Sincerely,

Dr. Ken Milne

**SOUTH HURON HOSPITAL ASSOCIATION
FINANCIAL STATEMENTS
MARCH 31, 2018**

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
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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, 2018, and the operating fund statement of revenue and expenses, statement of remeasurement gains and losses 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, 2018 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
May 24, 2018

**SOUTH HURON HOSPITAL ASSOCIATION
BALANCE SHEET**

See Accompanying Notes to Financial Statements

As at March 31	2018	2017
ASSETS		
Current assets		
Cash	1,399,947	647,951
Short term investments	20,661	28,305
Accounts receivable (note 2)	394,035	340,529
Inventories	89,957	89,498
Prepaid expenses	98,392	88,861
Due from South Huron Hospital Foundation (note 8)	874,427	243,982
	<u>2,877,419</u>	<u>1,439,126</u>
Long term investments	3,000,685	2,877,395
Capital assets		
Capital assets, net book value (note 3)	5,975,865	3,918,851
	<u>\$ 11,853,969</u>	<u>\$ 8,235,372</u>
 LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	2,275,127	1,158,617
Employee future benefits (note 6)	121,100	115,200
Deferred revenue (note 4)	651,054	433,234
	<u>3,047,281</u>	<u>1,707,051</u>
Long term liabilities		
Employee future benefits (note 6)	736,400	680,700
Deferred revenue (note 4)	5,006,157	2,848,284
	<u>8,789,838</u>	<u>5,236,035</u>
Net assets		
Invested in capital assets	318,654	663,614
Unrestricted - committed (note 9)	688,500	573,850
Unrestricted - uncommitted	1,871,360	1,596,119
	<u>2,878,514</u>	<u>2,833,583</u>
Accumulated remeasurement gains (losses)	185,617	165,754
	<u>3,064,131</u>	<u>2,999,337</u>
	<u>\$ 11,853,969</u>	<u>\$ 8,235,372</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	2018	2017
Revenue		
Local Health Integration Network / Ministry of Health		
- Base Funding	7,544,927	7,360,614
- One Time Funding	-	7,757
- HOCC Funding	106,196	106,196
- Paymaster Funding	168,695	150,703
- Other Votes	3,300	3,300
Recoveries and miscellaneous	521,868	467,772
Amortization of deferred grants and donations - equipment	437,131	237,799
OHIP and patient revenue	2,327,372	2,326,793
Differential and copayment revenue	55,200	47,010
	<u>11,164,689</u>	<u>10,707,944</u>
Expenses		
Salaries, wages and purchased services	5,037,504	4,912,018
Medical staff services remuneration	1,923,682	1,923,933
Employee benefits	1,640,174	1,641,654
Supplies and other expenses	1,885,044	1,819,952
Medical and surgical supplies	144,537	164,056
Drugs and medical gases	149,852	171,013
Bad debts	6,734	4,071
Other votes - property taxes	3,300	3,300
Depreciation - equipment	284,409	252,700
	<u>11,075,236</u>	<u>10,892,697</u>
Excess (deficiency) of Revenue over Expenses from Hospital Operations	\$ 89,453	(\$ 184,753)
Amortization of deferred grants and donations - building	203,115	150,624
Depreciation - building and building service equipment	<u>(247,637)</u>	<u>(214,171)</u>
Excess (deficiency) of Revenue over Expenses for the year	<u>\$ 44,931</u>	<u>(\$ 248,300)</u>

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

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2018	2017
Accumulated remeasurement gains (losses), beginning of year	165,754	143,782
Unrealized holding gains (losses) attributable to investments	<u>19,863</u>	<u>21,972</u>
Accumulated remeasurement gains (losses), end of year	<u>\$ 185,617</u>	<u>\$ 165,754</u>

SOUTH HURON HOSPITAL ASSOCIATION
OPERATING FUND STATEMENT OF CASH FLOWS

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2018	2017
Operating activities		
Excess (deficiency) of revenue over expenses for the year	44,931	(248,300)
Items not requiring (not providing) cash		
Depreciation	<u>532,046</u>	<u>466,871</u>
Working capital provided from operations	576,977	218,571
Cash provided from (used for) changes in operational balances		
Accounts receivable	(53,506)	(75,120)
Inventory	(459)	4,797
Prepaid expenses	(9,531)	(7,138)
Accounts payable and accrued liabilities	1,116,510	284,137
Employee future benefits	61,600	68,600
Deferred revenue	2,375,693	510,530
Due to/from South Huron Hospital Foundation	<u>(630,445)</u>	<u>(93,982)</u>
Cash provided from (used for) operating activities	<u>3,436,839</u>	<u>910,395</u>
Capital activities		
Net disposals (purchases) of capital assets	<u>(2,589,060)</u>	<u>(795,769)</u>
	<u>(2,589,060)</u>	<u>(795,769)</u>
Financing and investing activities		
Net investment sales (purchases)	<u>(103,427)</u>	<u>(191,474)</u>
	<u>(103,427)</u>	<u>(191,474)</u>
Increase (decrease) in cash	744,352	(76,848)
Cash and short term investments, beginning of year	<u>676,256</u>	<u>753,104</u>
Cash and short term investments, end of year	<u><u>\$ 1,420,608</u></u>	<u><u>\$ 676,256</u></u>

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

For the Year Ended March 31				2018	2017
	Invested in Capital Assets	Unrestricted - Committed	Unrestricted - Uncommitted	Total	Total
Balance, beginning of year	663,614	573,850	1,596,119	2,833,583	3,081,883
Excess (deficiency) of revenues over expenses	(532,046)		576,977	44,931	(248,300)
Net change in investment in capital assets	187,086		(187,086)	-	-
Interfund transfers		114,650	(114,650)	-	-
Balance, end of year	<u>318,654</u>	<u>688,500</u>	<u>1,871,360</u>	<u>\$ 2,878,514</u>	<u>\$ 2,833,583</u>

SOUTH HURON HOSPITAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2018

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, 2018

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	2018	2017
Ministry of Health	120,164	124,223
Insurers and patients	21,285	18,715
Other	<u>252,586</u>	<u>197,591</u>
	<u>\$ 394,035</u>	<u>\$ 340,529</u>

3. Capital assets

	Cost	Accumulated amortization	Net book value 2018	Net book value 2017
Land	249,131	-	249,131	249,131
Land improvements	261,165	208,173	52,992	58,595
Buildings	7,559,968	3,813,647	3,746,321	2,284,526
Major equipment	5,817,237	3,889,816	1,927,421	1,082,771
Construction in progress	-	-	-	<u>243,828</u>
	<u>13,887,501</u>	<u>7,911,636</u>	<u>5,975,865</u>	<u>3,918,851</u>

4. Deferred revenues	2018	2017
Deferred grants from Ministry of Health	3,404,092	1,988,897
Deferred donations	2,253,119	1,266,340
Other	-	<u>26,281</u>
	<u>\$ 5,657,211</u>	<u>\$ 3,281,518</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 \$395,316 (2017: \$403,177). 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, 2018, the Hospital's accrued benefit obligation relating to post-retirement benefit plans is \$857,500 (2017: \$795,900).

SOUTH HURON HOSPITAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2018

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, 2018, the Foundation provided donations totalling \$1,165,540 (2017: \$375,813) to the Hospital.

9. Commitments on unrestricted net assets

During the year, the Board of Directors committed \$688,500 (2017: \$573,850) 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, 2018 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, 2018 is \$ 4,607 (2017: \$2,824).

There have been no significant changes to the credit risk exposure from 2017.

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 2017.

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, 2018

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 2017.

**GOVERNANCE NOMINATION REPORT
SLATE OF DIRECTORS FOR 2018/2019**

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

Debbie Mountenay

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

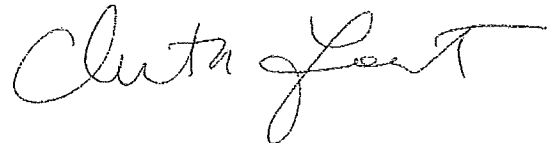
*Brad Sheeler
Bruce Shaw
Karen Brown
Roberta Teahen*

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

*John McNeilly
Ellen Shapiro
Christina Godbolt*

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
Jennifer Peckitt, Site Director/CNE*



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

**SOUTH HURON HOSPITAL ASSOCIATION
BOARD OF GOVERNORS 2017/2018**

Voting Board Members

Christina Godbolt	Chair (<i>Exeter</i>)
John McNeilly	Past Chair (<i>Exeter</i>)
Aileen Knip	Vice Chair (<i>Exeter</i>)
Karen Brown	Treasurer (<i>Exeter</i>)
Ellen Shapiro	Member (<i>Exeter</i>)
Roberta Teahen	Member (<i>Exeter</i>)
Drew Robertson	Member (<i>Crediton</i>)
Kay Wise	Member (<i>Hensall</i>)
Brad Sheeler	Member (<i>Lucan</i>)
Bruce Shaw	Member (<i>Exeter</i>)
Debbie Mountenay	Member (<i>Exeter</i>)
Shelley Bourne	Auxiliary Representative (<i>Exeter</i>)

Ex-Officio Board Members

Todd Stepanuik	President & CEO/Secretary (<i>Strathroy</i>)
Dr. Ken Milne	Chief of Staff (<i>London</i>)
Gina Taylor	Interim Chief Nursing Executive (<i>Wyoming</i>) (<i>until February 2018</i>)
Jennifer Peckitt	Site Director/Chief Nursing Executive (<i>London</i>)

LEADERSHIP TEAM

President & CEO	Todd Stepanuik
Site Director/CNE	Jennifer Peckitt (<i>started Feb. 2018</i>)
Interim Chief Nursing Executive	Gina Taylor (<i>until Feb. 2018</i>)
Director of Human Resources	Liz Kendall (<i>until Feb. 2018</i>)
Director of Human Resources and People	Tracy Wintermute (<i>started Feb. 2018</i>)
Chief Financial Officer	Darlene Borland
Director Ambulatory Services	Heather Klopp
Director of Diagnostics/Operations	Bill Brintnell

EMPLOYEE/PHYSICIAN SERVICE AWARDS
ANNUAL REPORT
July 1, 2017 - June 30, 2018

Years of Service	Name	Department
35	Dr. Deborah Waters	<i>Family Practice - GBACHC</i>
30	Brenda Palsa Dr. Jerry Jadd	<i>RN - ER</i> <i>Family Practice</i>
15	Jo-Ann Kadlecik Linda Millar Alison Rammeloo	<i>RPN - Inpatient Unit/Family Practice</i> <i>RPN - Inpatient Unit/Family Practice</i> <i>MLT - Laboratory</i>
10	Kyla Van Drunen Brenda Consitt Jessica Cook Lacey Hyrsky Joe Lugarich Dr. Sean Ryan	<i>RPN - Inpatient Unit</i> <i>Health Records</i> <i>RN - Inpatient Unit</i> <i>RPN - Inpatient Unit</i> <i>RPN - Inpatient Unit</i> <i>Chief of ER/Family Practice</i>
5	Bill Brintnell Lindsay Groot Taylor Maxfield Michelle Mathonia Toni Thompson	<i>Director of Diagnostics/Operations</i> <i>RN - ER</i> <i>RN - ER</i> <i>RPN - Inpatient</i> <i>RN - Inpatient</i>

