

W E L C O M E

to the

66th ANNUAL MEETING

of

**SOUTH HURON HOSPITAL
ASSOCIATION**

Thursday, June 13, 2019

5:00 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 13, 2019

Boardroom B110 - 5:00 p.m.

A G E N D A

- | | | |
|-----------|---|----------------------|
| 1 | Welcome and Call to Order | <i>Aileen Knip</i> |
| 2 | Notice of Meeting | <i>Aileen Knip</i> |
| 3 | Minutes of the 65th Annual Meeting (June 14, 2018) | <i>Aileen Knip</i> |
| 4 | Reports to the General Membership | |
| | 4.1 Chair | <i>Aileen Knip</i> |
| | 4.2 Interim President & Chief Executive Officer | <i>Bruce Quigley</i> |
| | 4.3 Auxiliary | <i>Anne Helm</i> |
| | 4.4 Auditor (<i>Vodden, Bender & Seebach</i>) | <i>Paul Seebach</i> |
| 5 | Governance Nomination Committee | |
| | 5.1 Report of Governance Nomination | <i>Aileen Knip</i> |
| 6 | New Business | <i>Aileen Knip</i> |
| 7 | Other Business | <i>Aileen Knip</i> |
| 8 | Recognition of Out-going Trustees | <i>Aileen Knip</i> |
| 9 | Closing Remarks | <i>Aileen Knip</i> |
| 10 | Adjournment | <i>Aileen Knip</i> |

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

**Held in Boardroom B110
South Huron Hospital Association
Thursday, June 14, 2018
1900 Hours**

- 1) The 65th 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 10 voting members and the meeting commenced at 1859 hours. C. Godbolt welcomed all those in attendance; staff, Leaders, and guests; Scott Nixon of the Exeter Times Advocate.
- 2) A notice of the 65th 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 64th Annual Meeting June 8, 2017.

Moved by: Aileen Knip

Seconded by: Ellen Shapiro

Motion: To approve the minutes of the 64th 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 Stepanuik*)

Chief of Staff (*Dr. Ken Milne*)

Auxiliary (*Shelley Bourne*)

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

Moved by: Kay Wise

Seconded by: Roberta Teahen

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

5) Governance Nomination Report

C. Godbolt reported -

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***

Moved by: Aileen Knip

Seconded by: Shelley Bourne

Motion: To accept the Governance Nomination Committee Report for the Board of Directors for the year 2018/2019. Carried.

6) Auditors

The firm of Vodden, Bender & Seebach will continue as auditors for the South Huron Hospital Association for the fiscal year 2018/2019 to 2021. Their multi-year appointment was approved in 2016.

7) New Business

7.1 South Huron Hospital Association By-Laws

The Board has approved amendments to the By-Laws in order to allow for the past Board Chair to provide support to the incoming Chair.

Moved by: Aileen Knip

Seconded by: John McNeilly

Motion: To confirm the amendments of 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

C. Godbolt referred to the report contained in the Annual Report listing the service award recipients for the period of July 1, 2018 to June 30, 2019.

Board Recognition

Special recognition and presentation to Shelley Bourne, who is leaving the Board after 2 years. Anne Helm will be joining the Board of Directors for a two year term as the President of the Auxiliary and Representative on the Board.

Special recognition was also given to Christina Godbolt by Aileen Knip on behalf of the Board of Directors for her years of service as Board Chair.

Dr. William O'Connor was honoured on behalf of the Medical Staff by Dr. Peter Englert. Dr. O'Connor will be retiring at the end of June after 47 years as an active staff member for the South Huron Hospital Association.

11) Closing Remarks/Adjournment

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

12) The 65th Annual General Meeting adjourned at 7:27 hours.

Moved by: Drew Robertson

Seconded by: Roberta Teahen

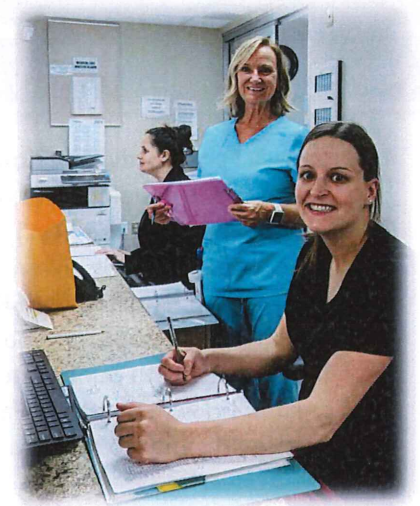
Motion: To adjourn the June 14, 2018 Annual General Meeting of South Huron Hospital Association. Carried.

Christina Godbolt,
Chair

Todd Stepanuik,
Secretary

DRAFT

Welcome to the 66th Annual General Meeting of the South Huron Hospital Association!



The Board of Directors, in collaboration with the President & CEO and leadership team, are pleased to present this 2018/19 Annual report, informing our patients, their families and the public we serve of the many successes at SHHA this past year. This would not be possible without the tremendous hard work and dedication of the staff and physicians to our "Little Hospital That Does."

We are pleased to report that the hospital ended the fiscal year with a surplus from operations. This is due to the continued cost containment efforts, which focused on partnerships and collaboration, in addition to the dedication of staff, physicians, and volunteers who contribute and support hospital operations every day.

The Board, Staff and Physicians thank both the South Huron Hospital Auxiliary and South Huron Hospital Foundation for their significant contributions. The Auxiliary, through their bi-annual Rummage Sale and Gift Shop, have contributed \$37,184 of support through the Foundation. The Foundation, through the community and donors, provided financial support of over \$690,000 towards patient care equipment, including new state of the art Diagnostic Imaging equipment. The continued support of the SHHA Auxiliary and SHHA Foundation play a significant role in supporting our ability to provide the highest quality healthcare to the patients we serve!

As we move into the 2019/20 term, the healthcare system remains in a state of flux with the province gearing up for the development of Ontario Health Teams. The SHHA Board and leadership team remains committed to sustainability, through continuous collaboration efforts in order to create efficiencies and maintain high quality of care to our patients, while doing so within the level of resources available.

Aileen Knip
Board Chair

Bruce Quigley
Interim President & CEO

Jennifer Peckitt
Site Director/CNE

Dr. Ken Milne
Chief of Staff

Reflecting on our Mission, Vision & Values and Strategic Plan for the past year....



1. Focus on Safe, Quality Patient Care, Close to Home

- **Patient & Family Advisory Council (PFAC)** – engaged in project to determine patient entertainment needs while in hospital and in the development of SHHA's Quality Improvement Plan (QIP).
- **Alternate Level of Care (ALC)** – SHHA was interviewed and featured in HQO's Quorum to outline strategies that have helped keep ALC levels lower than provincial levels.
- **Mental Health** – hosted AMGH mental health lead at SHHA to review practices and processes involved in transferring mental health patients; attended by nursing, social work, and physicians. Dr. Ken Milne, Chief of Staff continues to work collaboratively with our partners in an effort to improve access to mental health services.
- **eConsults** -- The MDs at the Family Practice Clinic have concentrated on ensuring they have their "ONEid Credentials" from eHealth Ontario secured. This enables them to participate in eConsults with specialists right across the province.

2. Focus on our People & Workplace

- **Human Resources** – a full-time, on-site Human Resources Associate was recruited in the fall of 2018.
- **Staff Appreciation** – Holiday Luncheon/service award presentations, Summer Appreciation BBQ, Out of Outbreak celebration, Nurse's Week

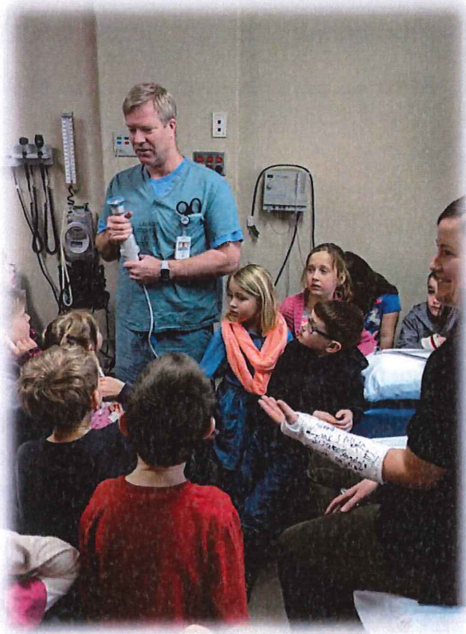


- **Workplace Violence Risk Assessment (WVRAT)** – assessments for all areas of the hospital have been completed in accordance with The Occupational Health and Safety Act (OHSA) recommendations to assess and control risks of workplace violence and to ensure that organizational policies and programs continue to protect workers. SHHA's Joint Health & Safety Committee drove the assessments and action planning.
 - ⇒ **Concerted efforts and investments have been made to improve staff safety, including:**
 - ⇒ **Behaviour Safety Alerts** – Visible cues are now evident in patient care areas where risks to staff safety have been identified related to patient (and visitor) behaviours.
 - ⇒ **"Working Alone" policy and procedure.**
 - ⇒ **Staff Education** – offered an education event for all staff ("Fall for All") focusing on effective communications, conflict management, situational awareness and staff safety (as well as Huron County's Opioid Drug Strategy focusing on awareness and education, stigma, and harm reduction (instructed by Michelle Carter from Public Health). A further two education sessions were held focusing on self-defense techniques and practical application of disengagement and de-escalation strategies in a healthcare setting.
 - ⇒ **Security camera enhancements** and increases in controls for after-hours access (e.g. to basement at night)

3. Focus on Increasing the Value of Our Healthcare System

- **Diagnostic Imaging (DI) Equipment** – fully deployed and signed-off new DI equipment—generously funded by the Foundation.
- **OTN (Ontario Telemedicine Network)** a needs assessment and space redesign planning has been completed to support OTN for patient care and corporate use.
- **Health Infrastructure Renewal Fund- Exceptional Circumstance Projects (HIRF-ECP)** projects totalling ~\$423K have been completed by the March 31st deadline, on budget. Improvements are evident in: roof repairs/replacement, exterior doors, roof top heating unit (RTUs), ED ambulance sliding doors, access control & fire alarm panel/remote monitoring panel as well as asbestos abatement (ceiling tiles) in several areas.

4. Focus on Working with Partners towards an Integrated & Sustainable Rural Health Care System



- **Police** – Met to evaluate increasing demand for mental health calls in the community and presentations to the hospital Emergency Department for mental health conditions. Further, there is continued engagement with OPP to evaluate our Code Silver (weapon) policy/protocol and to plan for a mock drill.
- **South Huron Business & Community Excellence Award** – SHHA was nominated for this award.
- **Elementary School** – SHHA hosted two kindergarten classes from Precious Blood Elementary School to watch the “robot” take an x-ray and experience Dr. Milne applying and removing a cast.
- **Nurse Navigator with GBACHC** – Hosted Megan Elliott, Nurse Navigator, at SHHA to meet with staff and increase awareness of services and potential collaborations.
- **Connected Rural Communities Collaborative** - in the fall of 2018, the Grand Bend Area CHC and partners (including SHHA) launched a new project to reduce social isolation. Social inclusion is an important determinant of health.
- **The Huron Perth Centre and Family Crisis Counselling Services** - have begun to use space at South Huron Medical Centre to meet with families from the South end of the county rather than having the patients drive to Clinton.
- **Huron County Health Unit Substance Management Working Group** -- SHHA continues to be a part of the Huron County Health Unit Substance Management Working Group to contribute to the county-wide opioid drug strategy and action plan.
- **Bluewater Area Family Health Team in Zurich** -- In order to provide greater access to services and support beyond the time-limited support that SHHA can provide, Rossana Sabalones, BSW, MBSW, from Bluewater Area Family Health Team in Zurich will be offering counselling and support services to the community from within the South Huron Medical Centre.
- **South Huron Medical Centre Partnering for Quality (PFQ) Projects**
- **Discovery Week Acknowledgement** – representatives from the Office of Distributed Education Schulich School of Medicine & Dentistry at Western University made a site visit to SHHA/South Huron Medical Centre in early October to acknowledge the exceptional experience offered to first year medical students as part of Schulich’s “Discovery Week.” We owe a debt of gratitude to our “volunteer extraordinaire” Joanne Bowen as well as Heather Klopp, Director of Ambulatory Services, who are dedicated to this project each year.
- **Health & Wellness Forum** – Heather Klopp, Jessie Brown (Social Work), and Sherri Penn (ED Nurse) set up a booth and were featured speakers at the Municipality of South Huron Health and Wellness Forum in September.

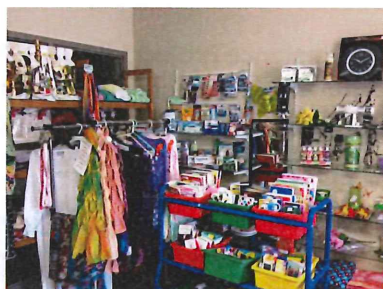


110 Employees
78 Physicians/Specialists

50 Nurses

SHHA Auxiliary

SHHA is extremely grateful to have a Hospital Auxiliary that works tirelessly to promote the organization and raise much needed funds for patient equipment. A few of their events include: Spring & Fall Rummage Sale and the Hospital Gift Shop.



2018/2019 Stats

	ER Visits	10,121
	Specialist Outpatient Visits	2,650
	Walk-In Clinic Visits.....	6,500
	Admitted Patients	659
	Lab Outpatient Visits	3,308
	Diagnostic Imaging	
	X-Rays	8,699
	Ultrasound.....	3,002
	BMD	659

On behalf of our staff and patients we thank you!
 Our Auxiliary is an integral part of our healthcare team.

SHHA Foundation

Thank you to our SHHA Foundation and their generous donors! Donations are essential for the purchase of vital medical equipment & technology!

Approved Capital Funding provided by SHHA Foundation
 Auxiliary (\$37,184) and other Donors:

\$690,000

SHHA Finance

Total Revenue	\$11 807 618
Total Expense.....	\$11 737 045
Operational Surplus /(Deficit).....	\$70 573

Quality at SHHA

- The SHHA Board Quality, Utilization & Risk Committee met 4 times over the past year.
- Patients and their families regularly receive a Patient & Family Experience Survey. Out of 235 patients and families surveyed, **96%** answered **Yes** to the question "Would you recommend this hospital/department to your friends and family?"
 A new booklet format has been developed to better capture patient experience data.
- Alternate Level of Care (ALC)** – SHHA was featured in a Health Quality Ontario (HQO) article for its positive impact on reducing ALC rates:
<https://quorum.hqontario.ca/en/Home/Posts/How-do-you-impact-ALC-in-a-small-rural-hospital-Spotlight-on-South-Huron-Hospital>
- SHHA remains focused on continuously improving staff safety.

To Donate:

South Huron Hospital Foundation
 24 Huron Street West, Exeter, ON, NoM 1S3
 519-235-2700 x 5133
 kimberley.payne@shha.on.ca
 www.shhf.on.ca



Contact Us:

South Huron Hospital Association
 24 Huron Street West, Exeter, ON, NoM 1S3
 519-235-2700
 shha.administration@shha.on.ca
 www.shha.on.ca



South Huron Hospital Auxiliary Report

2018-2019

In 2018, the Hospital Auxiliaries Association of Ontario (HAAO) disbanded; however, at the annual meeting of the regional Auxiliaries it was decided that we would stay together as a group to be known as the South Central Hospital Auxiliaries. A committee was formed to develop bylaws.

Before leaving HAAO, we were able to obtain a Provincial Life Membership for Elaine Skinner. Elaine has been a member for twenty six years and has held all executive positions.

The Auxiliary held its fall and spring rummage sales making \$15,698.00 in the fall and \$16,172.00 in the spring. We were grateful to the Municipality for allowing us the grant for the rental of the Rec Centre.

We were able to make a \$5,000.00 donation at the Radiothon.

A donation of \$9,000.00 was also made to the hospital for the purchase of a piece of equipment for the X-ray Department also.

Fourteen members attended the annual spring conference in April, which was hosted by the Seaforth Auxiliary this year.

We have 144 members and 5 Life members. Two of our members passed away this year, Olga Davies and Mary Lou Becker. Olga was a founding member in 1952 and was our Historian.

The historian's position has been taken by Verla Russell. The Armoire has been moved the Town Hall Carling Room. Members were grateful the armoire stayed in Exeter.

We look forward to continuing to support the hospital in any way that we can.

Submitted: Anne Helm

**SOUTH HURON HOSPITAL ASSOCIATION
FINANCIAL STATEMENTS
MARCH 31, 2019**

SEEBACH & COMPANY
Chartered Professional Accountants

Seebach & Company
Chartered Professional Accountants

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

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the accompanying financial statements of the South Huron Hospital Association ("the Hospital"), which are comprised of the balance sheet as at March 31, 2019 and the operating fund statement of revenue and expenses, statement of rereasurement gains and losses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Hospital in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PSAB, 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.

In preparing the financial statements, management is responsible for assessing the Hospital's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Hospital or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Hospital's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Seebach & Company
Chartered Professional Accountants

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

INDEPENDENT AUDITOR'S REPORT (continued)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Hospital's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Hospital's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Hospital to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
May 15, 2019

**SOUTH HURON HOSPITAL ASSOCIATION
BALANCE SHEET**

See Accompanying Notes to Financial Statements

As at March 31	2019	2018
ASSETS		
Current assets		
Cash	929,467	1,399,947
Short term investments (note 3)	28,324	20,661
Accounts receivable (note 2)	278,603	394,035
Inventories	84,237	89,957
Prepaid expenses	100,301	98,392
Due from South Huron Hospital Foundation (note 9)	94,046	874,427
	<u>1,514,978</u>	<u>2,877,419</u>
Long term investments (note 3)	<u>3,157,121</u>	<u>3,000,685</u>
Capital assets		
Capital assets, net book value (note 4)	6,110,869	5,975,865
	<u>\$ 10,782,968</u>	<u>\$ 11,853,969</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	1,165,359	2,275,127
Employee future benefits (note 7)	71,000	121,100
Deferred revenue (note 5)	636,987	651,054
	<u>1,873,346</u>	<u>3,047,281</u>
Long term liabilities		
Employee future benefits (note 7)	805,500	736,400
Deferred revenue (note 5)	5,034,310	5,006,157
	<u>7,713,156</u>	<u>8,789,838</u>
Net assets		
Invested in capital assets	439,572	318,654
Unrestricted - committed (note 10)	635,366	688,500
Unrestricted - uncommitted	1,818,535	1,871,360
	<u>2,893,473</u>	<u>2,878,514</u>
Accumulated remeasurement gains (losses)	176,339	185,617
	<u>3,069,812</u>	<u>3,064,131</u>
	<u>\$ 10,782,968</u>	<u>\$ 11,853,969</u>

On behalf of the board of governors:

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

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2019	2018
Revenue		
Local Health Integration Network / Ministry of Health		
- Base Funding	7,695,827	7,544,927
- One Time Funding	43,916	-
- HOCC Funding	106,196	106,196
- Paymaster Funding	216,877	168,695
- Other Votes	3,300	3,300
Recoveries and miscellaneous	534,332	521,868
Amortization of deferred grants and donations - equipment	709,054	437,131
OHIP and patient revenue	2,338,497	2,327,372
Differential and copayment revenue	159,619	55,200
	<u>11,807,618</u>	<u>11,164,689</u>
Expenses		
Salaries, wages and purchased services	5,353,910	5,037,504
Medical staff services remuneration	1,920,448	1,923,682
Employee benefits	1,675,207	1,640,174
Supplies and other expenses	2,041,279	1,885,044
Medical and surgical supplies	139,224	144,537
Drugs and medical gases	169,025	149,852
Bad debts	8,688	6,734
Other votes - property taxes	3,300	3,300
Depreciation - equipment	425,964	284,409
	<u>11,737,045</u>	<u>11,075,236</u>
Excess (deficiency) of Revenue over Expenses from Hospital Operations	\$ 70,573	\$ 89,453
Amortization of deferred grants and donations - building	261,802	203,115
Depreciation - building and building service equipment	<u>(317,416)</u>	<u>(247,637)</u>
Excess (deficiency) of Revenue over Expenses for the year	<u>\$ 14,959</u>	<u>\$ 44,931</u>

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

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2019	2018
Accumulated remeasurement gains (losses), beginning of year	185,617	165,754
Unrealized holding gains (losses) attributable to investments	<u>(9,278)</u>	<u>19,863</u>
Accumulated remeasurement gains (losses), end of year	<u>\$ 176,339</u>	<u>\$ 185,617</u>

SOUTH HURON HOSPITAL ASSOCIATION
OPERATING FUND STATEMENT OF CASH FLOWS

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2019	2018
Operating activities		
Excess (deficiency) of revenue over expenses for the year	14,959	44,931
Items not requiring (not providing) cash		
Depreciation	<u>743,380</u>	<u>532,046</u>
Working capital provided from operations	<u>758,339</u>	<u>576,977</u>
Cash provided from (used for) changes in operational balances		
Accounts receivable	115,432	(53,506)
Inventory	5,720	(459)
Prepaid expenses	(1,909)	(9,531)
Accounts payable and accrued liabilities	(1,109,768)	1,116,510
Employee future benefits	19,000	61,600
Deferred revenue	14,086	2,375,693
Due to/from South Huron Hospital Foundation	<u>780,381</u>	<u>(630,445)</u>
Cash provided from (used for) operating activities	<u>581,281</u>	<u>3,436,839</u>
Capital activities		
Net disposals (purchases) of capital assets	<u>(878,384)</u>	<u>(2,589,060)</u>
	<u>(878,384)</u>	<u>(2,589,060)</u>
Financing and investing activities		
Net investment sales (purchases)	<u>(165,714)</u>	<u>(103,427)</u>
	<u>(165,714)</u>	<u>(103,427)</u>
Increase (decrease) in cash	(462,817)	744,352
Cash and short term investments, beginning of year	<u>1,420,608</u>	<u>676,256</u>
Cash and short term investments, end of year	<u>\$ 957,791</u>	<u>\$ 1,420,608</u>

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

For the Year Ended March 31				2019	2018
	Invested in Capital Assets	Unrestricted - Committed	Unrestricted - Uncommitted	Total	Total
Balance, beginning of year	318,654	688,500	1,871,360	2,878,514	2,833,583
Excess (deficiency) of revenues over expenses	(743,380)		758,339	14,959	44,931
Net change in investment in capital assets	864,298		(864,298)	-	-
Interfund transfers		(53,134)	53,134	-	-
Balance, end of year	<u>439,572</u>	<u>635,366</u>	<u>1,818,535</u>	<u>\$ 2,893,473</u>	<u>\$ 2,878,514</u>

SOUTH HURON HOSPITAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2019

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, 2019

1. Significant accounting policies (continued)

Investments

The Hospital has classified all stocks, bonds and other investment securities 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

	2019	2018
Ministry of Health	115,171	120,164
Insurers and patients	20,622	21,285
Other	<u>142,810</u>	<u>252,586</u>
	<u>\$ 278,603</u>	<u>\$ 394,035</u>

3. Investments

The Hospital's investments are recorded at market value, as per the investment statements provided by the holding institution for the period March 31, 2019.

	2019	2018
Short-term		
Cash in investment account	<u>28,324</u>	<u>20,661</u>
Long-term		
Common shares	211,238	198,253
Mutual funds	<u>2,945,883</u>	<u>2,802,432</u>
	<u>3,157,121</u>	<u>3,000,685</u>
	<u>\$ 3,185,445</u>	<u>\$ 3,021,346</u>

The cost of the investments as of March 31, 2019 was \$3,009,106 (cost March 31, 2018: \$2,835,729).

4. Capital assets

	Cost	Accumulated Amortization	Net Book Value 2019	Net Book Value 2018
Land	249,131	-	249,131	249,131
Land improvements	271,713	213,947	57,766	52,992
Buildings	8,042,549	4,125,289	3,917,260	3,746,321
Major equipment	<u>6,109,084</u>	<u>4,222,372</u>	<u>1,886,712</u>	<u>1,927,421</u>
	<u>\$ 14,672,477</u>	<u>\$ 8,561,608</u>	<u>\$ 6,110,869</u>	<u>\$ 5,975,865</u>

5. Deferred revenues

	2019	2018
Deferred grants from Ministry of Health	3,525,098	3,404,092
Deferred donations	2,146,199	2,253,119
Other	-	-
	<u>\$ 5,671,297</u>	<u>\$ 5,657,211</u>

SOUTH HURON HOSPITAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2019

6. 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 \$423,947 (2018: \$395,316). These amounts are included in expenses in the operating fund statement of revenue and expenses and fund balance.

7. 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, 2019, the Hospital's accrued benefit obligation relating to post-retirement benefit plans is \$876,500 (2018: \$857,500).

8. 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.

9. 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, 2019, the Foundation provided donations totalling \$368,941 (2018: \$1,165,540) to the Hospital.

10. Commitments on unrestricted net assets

During the year, the Board of Directors committed \$635,366 (2018: \$688,500) 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.

SOUTH HURON HOSPITAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2019

11. 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, 2019 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, 2019 is \$2,383 (2018: \$4,607).

There have been no significant changes to the credit risk exposure from 2018.

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 2018.

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.

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 2018.

**GOVERNANCE NOMINATION REPORT
SLATE OF DIRECTORS FOR 2019/2020**

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

Dan Best

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

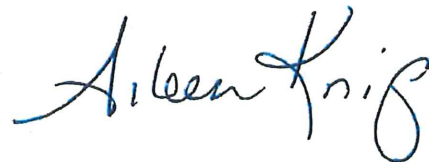
*Aileen Knip
Drew Robertson*

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

Ellen Shapiro

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

*Bruce Quigley, Interim President & Chief Executive Officer
Dr. Ken Milne, Chief of Staff
Jennifer Peckitt, Site Director/CNE*



Aileen Knip, Chair
Executive, Governance & Planning
Committee
South Huron Hospital Association

**SOUTH HURON HOSPITAL ASSOCIATION
BOARD OF GOVERNORS 2018/2019**

Voting Board Members

Aileen Knip	Chair
Debbie Mountenay	Vice Chair
Christina Godbolt	Past Chair
Karen Brown	Treasurer
John McNeilly	Member
Ellen Shapiro	Member
Roberta Teahen	Member
Drew Robertson	Member
Kay Wise	Member
Brad Sheeler	Member
Bruce Shaw	Member
Dan Best	Member
Anne Helm	Auxiliary Representative

Ex-Officio Board Members

Bruce Quigley	Interim President & CEO/Secretary (<i>started Aug. 2018</i>)
Dr. Ken Milne	Chief of Staff
Jennifer Peckitt	Site Director/Chief Nursing Executive

LEADERSHIP TEAM

Interim President & CEO	Bruce Quigley
Site Director/CNE	Jennifer Peckitt
Associate Clinical Leader	Gina Taylor
Director Ambulatory Services	Heather Klopp
Director of Facilities	Mike Fagan
Chief Financial Officer	Darlene Borland
Human Resources Associate	Peter Kronenberg

EMPLOYEE/PHYSICIAN SERVICE AWARDS

July 1, 2018- June 30, 2019

40 Years!

Nancy Hodgert Registered Nurse

30 Years!

Joy DeWeerd Registered Nurse

Joyce Maas Housekeeping

Debbie Meidinger Housekeeping

Irene Gettler Registered Practical Nurse

Dianne Regier Registered Practical Nurse

Dinette Stephens Registered Nurse

Pat Hackett Diagnostic Imaging

25 Years!

Deborah Hayter Registered Nurse

Spring Robinson Diagnostic Imaging

20 Years!

Brent McDonald Registered Nurse

15 Years!

Tiffanie Poortinga Registered Nurse

Theresa Doupe Registered Practical Nurse

Caroline Rathwell Diagnostic Imaging

10 Years!

Dr. Mario Bueno Family Practice Clinic/Emergency Dept.

Dr. Peyvand Ashtarani Family Practice Clinic/Emergency Dept.

5 Years!

Janet Keys Registered Practical Nurse

Meghan McCann Registered Nurse

