

WELCOME

to the

63rd ANNUAL MEETING

of

**SOUTH HURON HOSPITAL
ASSOCIATION**

Thursday, June 23, 2016

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 23, 2016

Boardroom #110 - 1900 Hours

A G E N D A

- | | | |
|-----------|--|------------------------------------|
| 1 | Welcome and Call to Order | <i>John McNeilly</i> |
| 2 | Notice of Meeting | <i>John McNeilly</i> |
| 3 | Minutes of the 62nd Annual Meeting <i>(June 25, 2015)</i> | <i>John McNeilly</i> |
| 4 | Reports to the General Membership | |
| | 4.1 Chair | <i>John McNeilly</i> |
| | 4.2 President & Chief Executive Officer | <i>Todd Stepanuik</i> |
| | 4.3 Auditor <i>(Vodden, Bender & Seebach)</i> | <i>Paul Seebach</i> |
| | 4.4 Chief of Staff | <i>Dr. Ken Milne</i> |
| | 4.5 Auxiliary | <i>Shelley Bourne</i> |
| 5 | Governance Nomination Committee | |
| | 5.1 Report of Governance Nomination | <i>Christina Godbolt</i> |
| 6 | Auditors <i>(appointment)</i> | <i>John McNeilly</i> |
| 7 | Ratification of Acts of Board of Governors for 2015/2016 | <i>John McNeilly</i> |
| 8 | New Business | |
| | 8.1 South Huron Hospital Association By-Law Amendments | <i>John McNeilly</i> |
| 9 | Other Business | <i>John McNeilly</i> |
| 10 | Recognition of Staff/Physicians/Out-going Trustees | <i>John McNeilly/Dr. Ken Milne</i> |
| 11 | Closing Remarks | <i>John McNeilly</i> |
| 12 | Adjournment | <i>John McNeilly</i> |

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

**Held in Boardroom B110
South Huron Hospital Association
Thursday, June 25, 2015
1900 Hours**

- 1) The 62nd Annual Meeting of the South Huron Hospital Association (“SHHA”) was held in the Hospital Boardroom, John McNeilly, Chair, presiding. John confirmed a quorum was present and the meeting commenced at 1900 hours. John welcomed all those in attendance – staff, community members and special guests; Mayor Maureen Cole, Municipality of South Huron, Aniko Varpalotia, SW-LHIN Board Member, Dawn Butler, Board Chair, Middlesex Hospital Alliance, Cate Melito, Executive Director Grand Bend Area Community Health Centre and Scott Nixon of the Exeter Times Advocate. John read a “greeting” from Lisa Thompson, M.P.P.
- 2) A notice of the 62nd 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 61st Annual Meeting June 26, 2014.

Moved by: Rob Morley

Seconded by: Ellen Shapiro

Motion: To approve the minutes of the 61st Annual General Meeting, as distributed. Carried

4) Reports to the General Membership

The following six (6) reports were presented as contained in the Hospital Annual Report.

Board Chair (*John McNeilly*)

President & Chief Executive Officer (*Todd Stepanuik*)

Interim Chief Executive Officer (*Heather Klopp*)

Chief of Staff (*Dr. Ken Milne*)

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

Auxiliary (*Linda Marsden*)

Moved by: Conor O’Keefe

Seconded by: Karen Brown

Motion: To accept the six (6) general reports to the membership as presented. Carried

5) Auditors

The firm of Vodden, Bender & Seebach will continue as auditors for the South Huron Hospital Association for the 2015 – 2016 fiscal year. Their multi-year appointment was approved in a prior year.

6) Governance Committee Report

John McNeilly reported -

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

*Ellen Shapiro
Adam Skillen*

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

*John McNeilly
Rob Morley*

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

*Aileen Knip
Kathleen Wise
Andrew Robertson*

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

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

Moved by: Rob Morley

Seconded by: Kevin Dickins

Motion: To accept the Governance Committee Report for the Board of Directors for the year 2015/2016. Carried

7) Ratification of Acts of Board of Governors for 2014/2015

Moved by: Adam Skillen

Seconded by: Pastor Bob Loohuizen

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

Carried

8) Recognition of Staff and Physicians

John referred to the report contained in the Annual Report listing the service award recipients, ranging from five (5) to thirty-five (35) years for the period of July 1, 2014 to June 30, 2015.

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

Staff Recognition

Judy Grenier (35 years)

Sheila Jackson-Elder (25 years)

Physician Recognition

Dr. Peter Englert (35 years)

Board Member Recognition

John McNeilly recognized four (4) Board members who are stepping down from the Board effective immediately; Kevin Dickins, Pastor Bob Loohuizen, Conor O'Keefe and Verla Russell.

9) New Business

No new business

10) Closing Remarks/Adjournment

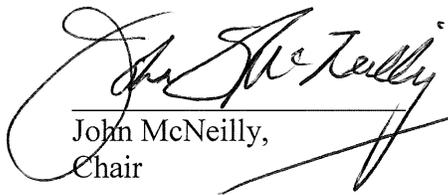
On behalf of the Board and the Hospital leadership team, John thanked everyone for attending and invited all to join for a social hour with refreshments provided.

11) The 62nd Annual General Meeting adjourned at 1940 hours.

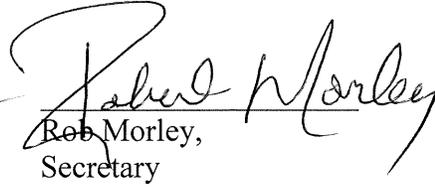
Moved by: Adam Skillen

Seconded by: Karen Brown

*Motion: To adjourn the June 25, 2015 Annual General Meeting of
South Huron Hospital Association. Carried*



John McNeilly,
Chair



Rob Morley,
Secretary

***Board Chair
Report to the
Annual General Meeting
South Huron Hospital Association
June 23, 2016***

As I was gathering my thoughts to prepare my last report as Board Chair, I wanted to insure that my message reflected a meaningful summary of our Board's current achievements and, at the same time, address the challenges we face from an organizational governance perspective. In my mind, annual meetings are like anniversaries; a time of reflection and a time of re-commitment. And so, based upon these directional fence posts, I provide this report on behalf of the Board of Governors of the South Huron Hospital Association (SHHA).

Reflecting About Our Past

SHHA has celebrated over 60 years of proud service to our community. Over this extended time period, I think the organization has demonstrated a remarkable ability to adapt to many changing forces, while always delivering high-quality patient care and exhibiting good stewardship of resources. These accomplishments could only have occurred with great leadership and the combined local support of many stakeholders including our staff, our physicians, our volunteers, our Hospital Auxiliary, our Hospital Foundation, our collaborative partners, our funders and our donors. As a Board, we recognize and celebrate the significant contributions received over the past year by our leadership team and this same group of committed supporters. As they say, one is too small a number to accomplish great things.

Over the past year, the Board held nine regular monthly meetings to discharge their fiduciary responsibilities and duties as outlined in our annual work plan. At our April meeting, we were very pleased to have both Messrs. Jeff Low and Michael Barrett from the South West LHIN join us to discuss an array of issues and ideas. Building capacity at the Board level has been a priority this year. Our members attended three separate "retreat sessions" held throughout the year to afford us additional time dedicated to generative thought processes to better understand current challenges and to explore potential strategic opportunities we might wish to pursue.

Board members also spent countless hours in attending numerous other education sessions and participating in various webcasts. All elected Board members are volunteers, who freely give their time and share their skills and experiences in our governance role. In summary, we believe that all decisions made this year were shaped by the current vision, mission and value statements of the SHHA.

Reflecting About Our Today

As a Board, we are constantly reminded that our current healthcare system needs to be transformed to address sustainability as well as problems with service access and equity, with service integration and with health promotion. Many of these problems have additional modifiers with healthcare delivery in our own rural catchment area; factors such as remoteness, growing poverty levels and an aging population demographic.

Other environmental conditions exist that add to our challenges. As a small hospital, our current government funding model provides for only modest increases to our base funding, while our operating costs increase at a much faster rate. This expenditure creep is largely responsible for the current year's operating deficit. Our current hospital building, which has served us well over the years, continually requires expensive repairs to insure a safe place for our patients, for our staff and volunteers, and for other community agencies housed in our facility.

It's been said that we live in a world best described as volatile, complex and uncertain. We believe this is an accurate description of the current status of healthcare in Ontario. As a governing body, the changes we need to address are no longer episodic; they are constant and occur at a rapid pace. But rather than let these current conditions dictate negative responses, we instead try to seek out the gifts embedded within these challenges by recognizing the importance of good partnerships, of good generative thinking, of confronting our brutal realities and of being pushed out of our comfort zones.

Re-Committing to Our Future

Our future must be based upon a solid foundation of relevance; we must matter to our community by creating value and by being a voice of influence for them. Maintaining this relevance will require us to change. We can no longer look at the future through the lens of our own silo and with a mindset of scarcity and fear. Instead, we must adopt a new collaborative approach to finding a sustainable model of community healthcare that provides scalable solutions, an approach based upon a mindset of abundance and trust. The late Peter Drucker, a well-respected twentieth century expert on modern management, once said that the only sure way to predict the future is to create it. Our role in co-creating this model of community healthcare will require an inner resilience and an attitude of tenacity on our part, as well as a strong anchoring in our community.

Final Thoughts

I consider it a sincere personal honor to have served as Board Chair for the past three years. I was privileged to have worked alongside fellow Board members who taught me so much about servant leadership; leadership dedicated to making a collective difference in the lives of the people we ultimately serve. Thank you all. In closing let me suggest that collectively and collaboratively, we will continue to stride courageously towards our corporate vision, with a very competent new Board Chair and a dedicated Board team providing strong governance and leadership to this organization.

Respectfully submitted,

John McNeilly, Board Chair

***President & CEO
Report to the
Annual General Meeting
June 23, 2016
South Huron Hospital Association
Fiscal Year 2015/16***

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

South Huron Hospital Association (*SHHA*) is a progressive community-based hospital that offers nineteen (19) inpatient beds and a range of outpatient diagnostic and treatment services. I am honoured and privileged to present my annual report as the President and CEO of South Huron Hospital Association. This past year, my first full year after arriving in February of 2015, I dedicated a lot of time and energy to learning about SHHA and its culture.

It seems hard to believe that I have been the President and CEO for over a year. In some ways it is because I feel like I have been a part of this great organization for much longer than that, and in other ways, because time has flown by so quickly.

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.

This evening, I will summarize for you many of the positive happenings and accomplishments that have transpired at SHHA during the 2015/16 fiscal year. Prior to doing so, I wish to express my profound gratitude for the people who have made our successes possible – our staff, physicians, volunteers, Board members and the management team. Their dedication to service is exemplary and the hospital's achievements are due to their extraordinary efforts.

Each day our staff, physicians, medical staff, and volunteers demonstrate their profound convictions, responding with all their knowledge and skills to improve the lives and ease the suffering of patients, residents and families at SHHA. The common thread driving us throughout the decades, has been our organizational values, and our focus on compassionate care and service to those in need.

All of our work cannot be done in isolation. With an emphasis on establishing new partnerships and reconnecting and re-looking at existing partnerships, we will continue to build these partnerships to ensure that our residents receive the best possible care now and for the future. We continue our collaborative efforts with the SW-LHIN and other partners.

Clinical Connect

SHHA was one of 67 Hospitals and 4 Community Care Access Centre's (CCAC's) in South Western Ontario to participate in the implementation of Clinical Connect, which is a web-based portal, providing clinicians and physicians with access to the electronic medical information of their patients. The benefits to patients and the healthcare system include the reduction of tests and procedures, the improvement of transfer of information between health care providers and improved patient safety and quality of care.

Intranet

With the launch of the intranet, secure communication to staff, physicians and the Board was improved. Through staff feedback and involvement, Phase I of the intranet was designed, developed and successfully launched in April.

Nuance Dictation

With funding under the Small Rural and Northern Transformation Funding, SHHA along with several regional sites, implemented a front-end digital voice recognition dictation system. This system has improved turn-around time and physician satisfaction.

Infection Control

The SHHA family is dedicated to the prevention and reduction of healthcare associated illnesses. Infection surveillance, outbreak management and education for staff, visitors and clients are cornerstones to the success of the Infection Prevention & Control Program. The Program incorporates evidence-based best practices, when developing and implementing policies and decisions with stakeholders, and acts as a quality and safety program within SHHA.

SHHA had no Hospital Acquired Infections (HAI's) this year, due to the efforts of all staff and monthly Hand Hygiene Audits. 100% of staff is trained in proper Hand Hygiene techniques.

Patient Satisfaction:

The excellent ratings from the patient satisfaction data speak directly to the compassionate care that our staff and physicians provide to our patients. 96% of patients, who visited SHHA, would recommend this organization to their family and friends. This is a great achievement for "*The Little Hospital That Does*". It is just reward for our staff, who all strive to meet the needs and expectations of our patients. The hospital is well integrated into the community and community members refer to SHHA as '*their*' hospital.

CT Services:

In an ongoing effort to provide timely access to service, SHHA identified the need to improve access to CT service. As part of the commitment of seeking new ways to foster and promote partnerships, an opportunity arose to strengthen our relationship with Middlesex Hospital Alliance (*MHA*) to forge a mutually beneficial partnership between our two organizations for CT services. A key priority is the seamless delivery of CT services. Access to both elective investigations and emergency services for patients will vastly improve diagnosis and treatment. A decision tree and policies were developed to facilitate 24/7 access to the Strathroy hospital site for patients requiring a CT. We are pleased by our new found relationship with our patient focused partner.

Smoke Free:

This past year, SHHA rendered the decision to migrate to a smoke free policy throughout the building and grounds. It was recognized that there is no safe exposure to second-hand smoke, and as a healthcare organization, it is important we demonstrate leadership. Going smoke free sent a clear message that prevention is as important, as treatment or illness. When it comes to the effects of smoking, no organization should be more aware of the perils associated with second-hand smoke than SHHA. In the spirit of the “Smoke-Free Ontario” legislation, we, as an organization, continue to improve the health of our constituents by becoming smoke-free in our building **and** on our property.

So what does the future hold for SHHA? In partnership with the community, SHHA has established strategic priorities with a focus on how best to continue to play a leadership role in the health care system. This significant undertaking is focused on engaging our staff, physicians, patients and community in the development of an efficient, evidence-based and flexible approach to our physical and technology infrastructure requirements. All of this must be considered within the context of the health system of the future – always with a 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*”. As we journey into the future, SHHA will continue to be one of the leading small and rural hospitals in the province of Ontario.

Our shared success is made possible through the contribution of staff, physicians, volunteers, and the generous donors. Success requires a complex blend of skills coordinated in their delivery to help make improvements. We share a commitment to service, encouraging and supporting informed voices with varied experiences guiding our path.

Managing transition, without question, continues to be a major focus for SHHA. We all know that excellence is a journey, not a destination. We know as well, that the successful integration of programs and services will be measured in years, not in weeks or months. Our transition initiatives will not be complete until attitudinal shifts have been stabilized, and until a new and distinct corporate culture is crystallized for the region. Both the Board and management are committed to establishing a culture that reflects the value of people as our most valuable resource.

My message would not be complete without taking this opportunity to celebrate the diverse gifts and talents of those involved in service at SHHA. Special recognition must be given;

... to the Board Members for their insight and dedication in these times of change, you are amazing people, who voluntarily provide public service in a complex, demanding, and ever changing system,

... to members of the management team for their support and eagerness to accept new challenges as we strive to be all that we can be,

... to members of our staff, our physicians, and our volunteers for being the hands and the hearts of the Association, as they deliver outstanding service to our clients, our residents and our patients.

Together, we 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 team, with which to lead and meet these challenges head on.

Thank you to Dr. Ken Milne, Chief of Staff, who has been a source of guidance for me and is a wealth of information regarding SHHA. This knowledge has been invaluable. His commitment to excellence and continuous improvement motivates positive change in everyone. I also thank our community of physicians. The delivery of care at SHHA requires their skill and commitment to service.

I would also like to extend my heartfelt thanks to John McNeilly, who has been a steady hand and a sharp mind over the course of this past year. John has lent the Board of Directors considerable skills as a relationship builder, spokesperson, statesman and community leader, as he has served in the role of Chair. I would like to express my profound gratitude to John for his leadership.

Instrumental to our ongoing success is the unwavering support of the Foundation and the Auxiliary. I would like to commend each of the Foundation's trustees and Kimberley Payne for their selfless devotion, and to enhancing patient care at our hospital. As we reflect on the past year, I would also like to thank the Foundation for all that you have done and continue to do, to inspire acts of giving within our community. Equally important is the inspiring and tireless efforts of the auxiliaries. I extend my thanks to the Auxiliary members 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.

I firmly believe that success in a CEO role is highly dependent on the person by your right side and I could not have found anyone better than Faye Reichert, Administrative Assistant to be that person for me. Thank you Faye for helping me even when I did not know I needed help, keeping me on track and also helping me keep my sense of humour. Her work can be arduous. If nothing else, simply balancing my schedule is a nightmare. I offer you my heartfelt gratitude. You are truly wonderful in so many ways.

Importantly, I also need to thank the patients and families, who have allowed me to sit and talk with them. I have acquired a much better understanding of the organization and hopefully this helps me lead, in a way that benefits future patients and families. You are the center of why we are here, and engaging with you is the most important thing I do.

In conclusion, we boast a long and notable history of having a positive impact on the Exeter community. Our community can be confident that we are well positioned to continue with our steadfast commitment to patient centered care. An old African proverb says, *"If you want to go fast, go alone - if you want to go far, go together."* By collaborating – with our patients, physicians, staff, fellow providers, supporters, SW-LHIN, community agencies, and other stakeholders, SHHA will indeed go far in providing the very best health care for our community.

As we move forward, I am filled with tremendous optimism that SHHA will continue to be a leader in the provision of high quality, patient centered care.

Respectfully submitted,

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

Todd Stepanuik,
President & CEO

**SOUTH HURON HOSPITAL ASSOCIATION
FINANCIAL STATEMENTS
MARCH 31, 2016**

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

Vodden, Bender & Seebach LLP
Chartered Professional Accountants

P.O. Box 758
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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, 2016, and the operating fund statement of revenue and expenses and fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the South Huron Hospital Association as at March 31, 2016 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

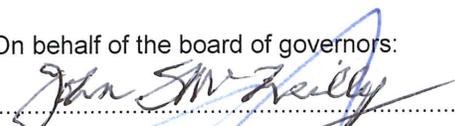
Clinton, Ontario
May 11, 2016

**SOUTH HURON HOSPITAL ASSOCIATION
BALANCE SHEET**

See Accompanying Notes to Financial Statements

As at March 31	2016	2015
ASSETS		
Current assets		
Cash	698,426	1,588,059
Short term investments	54,678	50,882
Accounts receivable (note 2)	265,409	226,966
Inventories	94,295	94,449
Prepaid expenses	81,723	100,789
Due from South Huron Hospital Foundation	150,000	4,332
	<u>1,344,531</u>	<u>2,065,477</u>
Long term investments	<u>2,663,949</u>	<u>2,678,510</u>
Capital assets		
Capital assets, net book value (note 3)	3,589,953	3,422,101
	<u>\$ 7,598,433</u>	<u>\$ 8,166,088</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	874,480	814,547
Employee future benefits (note 6)	109,100	100,096
Deferred revenue (note 4)	343,687	319,065
	<u>1,327,267</u>	<u>1,233,708</u>
Long term liabilities		
Employee future benefits (note 6)	618,200	697,397
Deferred revenue (note 4)	2,427,301	2,425,662
	<u>3,045,501</u>	<u>3,123,059</u>
Net assets		
Invested in capital assets	833,264	679,704
Unrestricted - committed (note 9)	678,051	740,015
Unrestricted - uncommitted	1,570,568	2,031,899
	<u>3,081,883</u>	<u>3,451,618</u>
Accumulated remeasurement gains (losses)	143,782	357,703
	<u>3,225,665</u>	<u>3,809,321</u>
	<u>\$ 7,598,433</u>	<u>\$ 8,166,088</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	2016	2015
Revenue		
Local Health Integration Network / Ministry of Health		
- Base Funding	7,119,900	7,049,300
- One Time Funding	12,400	12,400
- HOCC Funding	106,196	106,196
- Paymaster Funding	165,617	154,850
- Other Votes	3,300	3,300
Recoveries and miscellaneous	515,123	520,910
Amortization of deferred grants and donations - equipment	339,710	278,711
OHIP and patient revenue	2,384,064	2,355,072
Differential and copayment revenue	43,605	66,291
	<u>10,689,915</u>	<u>10,547,030</u>
Expenses		
Salaries, wages and purchased services	5,078,926	4,628,749
Medical staff services remuneration	1,960,420	1,960,606
Employee benefits	1,532,361	1,477,590
Supplies and other expenses	1,833,364	1,766,548
Medical and surgical supplies	162,973	156,269
Drugs and medical gases	163,816	128,816
Bad debts	2,019	10,111
Other votes - property taxes	3,300	3,300
Depreciation - equipment	249,149	246,171
	<u>10,986,328</u>	<u>10,378,160</u>
Excess (deficiency) of Revenue over Expenses from Hospital Operations	(\$ 296,413)	\$ 168,870
Amortization of deferred grants and donations - building	145,939	136,601
Depreciation - building and building service equipment	<u>(219,261)</u>	<u>(227,957)</u>
Excess (deficiency) of Revenue over Expenses for the year	<u>(\$ 369,735)</u>	<u>\$ 77,514</u>

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

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2016	2015
Accumulated remeasurement gains (losses), beginning of year	357,703	338,520
Unrealized holding gains (losses) attributable to investments	<u>(213,921)</u>	<u>19,183</u>
Accumulated remeasurement gains (losses), end of year	<u>\$ 143,782</u>	<u>\$ 357,703</u>

SOUTH HURON HOSPITAL ASSOCIATION
OPERATING FUND STATEMENT OF CASH FLOWS

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2016	2015
Operating activities		
Excess (deficiency) of revenue over expenses for the year	(369,735)	77,514
Items not requiring (not providing) cash		
Depreciation	468,410	474,128
Working capital provided from operations	98,675	551,642
Cash provided from (used for) changes in operational balances		
Accounts receivable	(38,443)	41,394
Inventory	154	(4,660)
Prepaid expenses	19,066	42,230
Accounts payable and accrued liabilities	59,933	(17,336)
Employee future benefits	(70,193)	42,551
Deferred revenue	26,261	112,418
Due to/from South Huron Hospital Foundation	(145,668)	106,585
Cash provided from (used for) operating activities	<u>(50,215)</u>	<u>874,824</u>
Capital activities		
Net disposals (purchases) of capital assets	(636,262)	(307,476)
	<u>(636,262)</u>	<u>(307,476)</u>
Financing and investing activities		
Net investment sales (purchases)	(199,360)	(191,148)
	<u>(199,360)</u>	<u>(191,148)</u>
Increase (decrease) in cash	(885,837)	376,200
Cash and short term investments, beginning of year	<u>1,638,941</u>	<u>1,262,741</u>
Cash and short term investments, end of year	<u>\$ 753,104</u>	<u>\$ 1,638,941</u>

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

For the Year Ended March 31				2016	2015
	Invested in Capital Assets	Unrestricted - Committed	Unrestricted - Uncommitted	Total	Total
Balance, beginning of year	679,704	740,015	2,031,899	3,451,618	3,258,475
Excess (deficiency) of revenues over expenses	(468,410)		98,675	(369,735)	77,514
Net change in investment in capital assets	621,970		(621,970)	-	-
Interfund transfers		(61,964)	61,964	-	-
Balance, end of year	<u>833,264</u>	<u>678,051</u>	<u>1,570,568</u>	<u>\$ 3,081,883</u>	<u>\$ 3,335,989</u>

SOUTH HURON HOSPITAL ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2016

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, 2016

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

	2016	2015
Ministry of Health	113,721	114,605
Insurers and patients	19,154	18,995
Other	<u>132,534</u>	<u>93,366</u>
	<u>\$ 265,409</u>	<u>\$ 226,966</u>

3. Capital assets

	Cost	Accumulated amortization	Net book value 2016	Net book value 2015
Land	249,131	-	249,131	249,131
Land improvements	261,165	196,145	65,020	44,956
Buildings	5,659,868	3,460,018	2,199,850	2,246,912
Major equipment	<u>4,962,157</u>	<u>3,886,205</u>	<u>1,075,952</u>	<u>881,102</u>
	<u>11,132,321</u>	<u>7,542,368</u>	<u>3,589,953</u>	<u>3,422,101</u>

4. Deferred revenues

	2016	2015
Deferred grants from Ministry of Health	1,719,091	1,843,091
Deferred donations	1,037,598	899,306
Other	<u>14,299</u>	<u>2,330</u>
	<u>\$ 2,770,988</u>	<u>\$ 2,744,727</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 \$415,415 (2015: \$380,379). 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, 2016, the Hospital's accrued benefit obligation relating to post-retirement benefit plans is \$727,300 (2015: \$797,493).

SOUTH HURON HOSPITAL ASSOCIATION
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2016

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, 2016, the Foundation provided donations totalling \$394,683 (2015: \$257,516) to the Hospital.

9. Commitments on unrestricted net assets

During the year, the Board of Directors committed \$678,051 (2015: \$740,015) 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, 2016 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, 2016 is \$4,456 (2015: \$7,340).

There have been no significant changes to the credit risk exposure from 2015.

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 2015.

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, 2016

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 2015.

CHIEF OF STAFF
Report to the
Annual General Meeting
South Huron Hospital Association
June 23, 2016

Another year has come and gone for “*The Little Hospital That Does*”. It was a good year for the medical staff.

I would like to recognize the long service that has been provided by Drs. Peter Englert (37), Deborah Waters (33), William O’Connor (45), and Ming Lam (34). It is great to have their experience in the community.

We are happy to have a number of new doctors setting up links between Lucan (*Dr. Jonathan Keys*) Ilderton, (*Dr. James Mather*), and Grand Bend (*Dr. Craig McLean*). These new local champions help us achieve our mission and vision beyond the four walls of the hospital.

Between our new doctors and our long serving doctors, we have a core of caring physicians providing excellent care to the South Huron Community.

- 1) **Hospitalist:** This program is running well under the continued leadership of Dr. Nelson Chan. We are pleased to have Dr. Neeraj Patel providing the majority of our weekday coverage.
- 2) **Emergency Department:** The emergency department continues to be fully staffed and we are never in threat of closure, due to lack of staff. Dr. Escort (Essie) Mwamenda-Heinrich has been an excellent new addition to the emergency department and will help ensure we maintain full coverage through the summer months.
- 3) **Walk-In Clinic:** Everyone has access to a family physician within 24 hours, due to this resource. The walk-in clinic helps people get the right care at the right time. It has been key to the success of the emergency department by providing access to non-emergent care.

It takes an integrated system with dedicated people to provide great care. We are fortunate to have a system and the doctors to ensure the people of our community get the care they expect and deserve.

Sincerely,
Ken Milne,
MD, MSc, CCFP-EM, FCFP

***SOUTH HURON HOSPITAL AUXILIARY
REPORT TO THE ANNUAL GENERAL MEETING OF
SOUTH HURON HOSPITAL ASSOCIATION
JUNE 23, 2016***

The South Huron Hospital Auxiliary continues to be dedicated to supporting our hospital and is a member of the Hospital Auxiliaries Association of Ontario. We have one hundred and sixteen (116) paid members, three (3) Provincial Life Members and three (3) Local Life Members. Twenty (20) to twenty-five (25) of us meet in the Boardroom on the second Tuesday afternoon of the month, seven (7) months of the year. Speakers this year included Derek Bakelaar of Digisplints, veteran and member Vera Armstrong, Brian Hall of the Rotary Club Global Literacy project, and Kimberley Payne and Maria Hamather of the South Huron Hospice Steering Committee. In December each year, we are grateful to be entertained by the hospital staff and served a wonderful luncheon.

Our Hospital Gift Shop is run by our auxiliary volunteers. This year, a replacement triage chair for the Emergency Department was purchased with \$4,800 raised by gift shop sales.

Successful Fall and Spring Rummage sales raised \$24,000 dollars, due to the generous donations from our community, many volunteer hours by the hard working volunteers, and lots of happy bargain shoppers. Thanks also go to co-convenors, Linda Russell and Cathy Cade, and their Rummage Sale Committee.

Our 2015 50/50 draw raised \$3,000. We are now selling raffle tickets to be drawn this December which will also raise \$3,000.

We donated \$5,000 dollars to the October Radiothon held by the Foundation. Three (3) ER stretchers and a Vscan portable ultrasound machine were purchased with Auxiliary funds this year.

President Linda Marsden and Vice President Shelley Bourne attended the HAAO South Central Region President's Day in Seaforth on September 30th.

Two (2) of our members attended the HAAO conference in Toronto November 2, and 3.

Fourteen (14) of our members attended the Spring conference hosted by the St. Marys Memorial Hospital Auxiliary. Speakers were Mark Brintnell of the South West LHIN and heart transplant recipient Mike Sullivan of the Trillium Gift of Life Network.

We owe thanks to Linda Marsden, who, after four (4) years as Co-president with Cathy Cade, and a year as President, moves to Past-president. New officers are Shelley Bourne as President and Anne Helm as Vice President.

Respectfully submitted,

Linda Marsden, Past President and Shelley Bourne, President

SOUTH HURON HOSPITAL ASSOCIATION BOARD OF GOVERNORS 2015/2016

Voting Board Members

John McNeilly	Chair (<i>Exeter</i>)
Rob Morley	1st Vice Chair (<i>Exeter</i>)
Christina Godbolt	Secretary (<i>Exeter</i>)
Karen Brown	Treasurer (<i>Exeter</i>)
Ellen Shapiro	Member (<i>Exeter</i>)
Adam Skillen	Member (<i>Exeter</i>)
Roberta Teahen	Member (<i>Exeter</i>)
Aileen Knip	Member (<i>Exeter</i>)
Drew Robertson	Member (<i>Crediton</i>)
Kay Wise	Member (<i>Hensall</i>)
Shelley Bourne	Auxiliary Representative (<i>Exeter</i>)

Non-Voting Board Members

Todd Stepanuik	President & CEO/Secretary (<i>Strathroy</i>)
Dr. Ken Milne	Chief of Staff (<i>Goderich</i>)
David Fillekes	Director of Clinical Services and Chief Nursing Executive (<i>London</i>)

LEADERSHIP TEAM

President & CEO	Todd Stepanuik
Chief of Staff	Dr. Ken Milne
Director of Human Resources	Kim Killens (<i>until Jan 19/16</i>)
	Liz Kendall (<i>current</i>)
Director of Corporate Affairs	Jimmy Trieu
Chief Financial Officer	Darlene Borland
Director Ambulatory Services	Heather Klopp
Director of Clinical Services and C.N.E.	David Fillekes
Director of Diagnostics/Operations	Bill Brintnell

**GOVERNANCE NOMINATION REPORT
SLATE OF DIRECTORS FOR 2016/2017**

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

Ellen Shapiro
Karen Brown
Christina Godbolt
Roberta Teahen

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

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


John McNeilly, Chair
Executive, Governance & Planning Committee
South Huron Hospital Association

EMPLOYEE SERVICE AWARDS

ANNUAL REPORT

July 1, 2015 - June 30, 2016

Years of Service	Name	Department
20	Steve Martin	<i>Maintenance</i>
	Sheri Leis	<i>Nurse (RN)</i>
10	Sandra Herron	<i>Laboratory</i>
5	Sheri Mathers	<i>Finance</i>
	Brittney Hockey	<i>Nurse RPN</i>
	Sheila Jeffrey	<i>Dietary</i>

PHYSICIAN SERVICE AWARDS

ANNUAL GENERAL MEETING

July 1, 2015- June 30, 2016

Years of Service	Name	Current Practice
45	Dr. William O'Connor	<i>Family Practice Grand Bend Area Community Health Centre</i>
10	Dr. Yasmin Mussani	<i>Family Practice South Huron Medical Centre</i>
5	Dr. Nelson Chan Dr. Emily Kelly	<i>SHHA ER Locums and Hospitalist SHHA ER Locums and Hospitalist</i>

