HURON PERTH HEALTHCARE ALLIANCE

Clinton Public Hospital
St. Marys Memorial Hospital
Seaforth Community Hospital
Stratford General Hospital

Supporting People.
Strengthening Partnerships.
Improving Performance.

ANNUAL REPORT 2014/2015

Clinton Public Hospital
St. Marys Memorial Hospital
Seaforth Community Hospital
Stratford General Hospital

ANNUAL GENERAL MEETING
Thursday June 25, 2015
Mitchell Golf & Country Club

Exceptional People, Exceptional Care!

Huron Perth Healthcare Alliance

ANNUAL REPORT

2014-2015

TABLE OF CONTENTS

Huron Perth Healthcare Alliance
ANNUAL GENERAL MEETING

on behalf of

Clinton Public Hospital
St. Marys Memorial Hospital
Seaforth Community Hospital
Stratford General Hospital

Thursday June 25, 2015
Mitchell Golf & Country Club
Mitchell, Ontario

A G E N D A

1. **Meeting Properly Called**

2. **Approval of Agenda**
   a. Clinton Public Hospital
   b. St. Marys Memorial Hospital
   c. Seaforth Community Hospital
   d. Stratford General Hospital

3. **Approval of the Minutes of the Previous Annual Meeting – June 19, 2014**
   a. Clinton Public Hospital
   b. St. Marys Memorial Hospital
   c. Seaforth Community Hospital
   d. Stratford General Hospital

4. **Resources Report**

5. **Audit Report and Approval of the Appointment of Auditors**
   a. Clinton Public Hospital
   b. St. Marys Memorial Hospital
   c. Seaforth Community Hospital
   d. Stratford General Hospital

6. **Approval of By-Law Amendments**
   a. Clinton Public Hospital
   b. St. Marys Memorial Hospital
   c. Seaforth Community Hospital
   d. Stratford General Hospital

7. **Ad Hoc Nominating Committee Report**

8. **Board Chair, President & Chief Executive Officer and Chief of Staff Report**

9. **Thanks & Recognition**

10. **Other**

11. **Adjournment**

Huron Perth Healthcare Alliance
ANNUAL GENERAL MEETING

Thursday June 19, 2014
Mitchell Golf & Country Club
Mitchell, Ontario

M I N U T E S

PRESENT: Dick Burgess, (in the Chair),
Sue Davey, Recording Secretary

Mary Atkinson, Dr. Brian Hughes, Dr. Laurel Moore, Sheila Morton, Colin Pearson, Olga Palmer, Colin Pearson, Bill Scott, Leslie Showers, Donnalene Tuer Hodes, Andrew Williams, John Wolfe

Jack Alblas, Ron Bolton, Mary Cardinal, Trina Cooper, Tim Cunningham, Maria Faulkner, Ingrid Hanrath-Pester, Lori Hartman, Ken Haworth, Marilyn Haywood, Wendy Hutton, Ryan Itterman, Michelle Jones, Ron Lavoie, Stacey MacNeil, Iris Malig, Mary McTavish, Bob McTavish, Andrea Page, Carl Page, Laura Payton, Randy Pettapiece, Jocelyne Proulx, Anne Reintjes, Brenda Smellie, Debbie Turner, Sue Veraart

Andrea Feddema & Beth Nelligan, Ernst & Young

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1. MEETING PROPERLY CALLED

The Chair welcomed everyone to the 2013-2014 Annual General Meeting of the Huron Perth Healthcare Alliance and confirmed that the meeting had been properly called in accordance with By-Laws.

The Chair outlined the voting procedures, with each voting member have been provided with a coloured voting card.

2. APPROVAL OF THE AGENDA

It was moved by Leslie Showers, seconded by Olga Palmer:

That the agenda for the Annual Meeting for Clinton Public Hospital be accepted as presented.

CARRIED

It was moved by Colin Pearson, seconded by Dr. Brian Hughes:

That the agenda for the Annual Meeting for St. Marys Memorial Hospital be accepted as presented.

CARRIED

It was moved by Tim Cunningham, seconded by Wendy Hutton:

That the agenda for the Annual Meeting for Seaforth Community Hospital be accepted as presented.

CARRIED

It was moved by Jack Alblas, seconded by John Wolfe:

That the agenda for the Annual Meeting for Stratford General Hospital be accepted as presented.

CARRIED

3. APPROVAL OF THE MINUTES OF THE PREVIOUS ANNUAL MEETING

It was moved by Olga Palmer, seconded by Mary Atkinson:

That the minutes of the June 20, 2013 Annual General Meeting of Members for Clinton Public Hospital be approved.

CARRIED

It was moved by Colin Pearson, seconded by Dr. Brian Hughes:

That the minutes of the June 20, 2013 Annual General Meeting of Members for St. Marys Memorial Hospital be approved.

CARRIED

It was moved by Tim Cunningham, seconded by Wendy Hutton:

That the minutes of the June 20, 2013 Annual General Meeting of Members for Seaforth Community Hospital be approved.

CARRIED

It was moved by Mary Atkinson, seconded by Dr. Brian Hughes:

That the minutes of the June 20, 2013 Annual General Meeting of Members for Stratford General Hospital be approved.

CARRIED

4. RESOURCES REPORT

Bill Scott, Chair of the Resources Committee, provided the Resources Report.

- The Huron Perth Healthcare Alliance (HPHA) completed the fiscal year-ending March 31, 2014 with an operating surplus of $1.3M, 1.1% of its $129 million operating budget.
- Ministry applied a one-time claw back of $2.5M to the Alliance in 2013/2014 relating to previous years for Post-Construction Operating Plan funding, leaving the hospital with a deficit of $1.2M.
- 2013/2014 was the second year of funding reform under the Ministry of Health and Long-Term Care's patient based funding model.
- As the new funding model presents challenges, hospitals will rewarded for being efficient and with this new funding approach, HPHA made gains.
- HPHA invested approximately $4.2M in equipment and building related projects, allowing the Alliance to provide quality services across our organizations, with a good

portion of the project funds generated through the hard work and commitment of the HPHA hospital foundations and auxiliaries.
- Looking forward to 2014/2015, available resources will continue to be tight.
- Ongoing planning will continues so that HPHA receives the maximum funding available and ensure four viable sites in the communities we serve.

Bill extended appreciation to the Resources Committee and the HPHA healthcare team, including the Board, Staff, Volunteers, Medical Staff, Local Advisory Committees, Foundations, and Auxiliaries for their ongoing commitment to providing health care services to the communities the HPHA serves and their dedication to the organization.

5. AUDIT REPORT AND APPROVAL OF THE APPOINTMENT OF AUDITORS

Mary Atkinson provided the Audit Committee report. The combined Huron Perth Healthcare Alliance (HPHA) Financial Statement and the Financial Statements of the four HPHA sites have been prepared by management, and approved by the Board of Directors at their meeting on June 5, 2014.

Mary outlined the Audit Committee's role in the development of the Financial Statements. The 2013/2014 fiscal year audited statements have been reformatted to better reflect the organization's financial position and to align with the South West Local Health Integration Network's reporting format. She reported that Ernst & Young found no significant issues in the course of their audit and have issued an unqualified audit opinion on the HPHA's financial statements. Copies of the audited statements were made available at this meeting and the Auditors, Andrea Feddema and Beth Nelligan, were available this evening.

HPHA is entering the third year of the current contact with Ernst & Young for the provision of external audit services to the Alliance. The current contract provides for three years plus another optional 2 years for Ernst & Young audit services. Therefore, four motions are required to appoint the external auditors to the Alliance for the 2014/2015 fiscal year.

It was moved by Mary Atkinson, seconded by Leslie Showers:

THAT Ernst & Young LLP be appointed as the external Auditors for the Clinton Public Hospital for the 2014/2015 fiscal year and that the board set the appropriate remuneration for the service.

CARRIED

It was moved by Mary Atkinson, seconded by Colin Pearson:

THAT Ernst & Young LLP be appointed as the external Auditors for the St. Marys Memorial Hospital for the 2014/2015 fiscal year and that the board set the appropriate remuneration for the service.

CARRIED

It was moved by Mary Atkinson, seconded by Tim Cunningham:

THAT Ernst & Young LLP be appointed as the external Auditors for the Seaforth Community Hospital for the 2014/2015 fiscal year and that the board set the appropriate remuneration for the service.

CARRIED

It was moved by Mary Atkinson, seconded by John Wolfe:

THAT Ernst & Young LLP be appointed as the external Auditors for the Stratford General Hospital for the 2014/2015 fiscal year and that the board set the appropriate remuneration for the service.

CARRIED

6. AD HOC NOMINATING COMMITTEE REPORT

The Board of Directors considered and endorsed the recommended slate at their regular meeting on June 5, 2014. As the slate fills all existing vacancies and there are no other candidates before the members of the hospital corporations, the following candidates are acclaimed as Directors of the Alliance as of the end of the Annual Meeting:

For three-year appointments:

- Mary Atkinson, Regional Representative
- Bob Gulliford, Representative from the City of Stratford

For two-year appointments:

- Sheila Morton, From the catchment area served by the Seaforth Community Hospital
- John Wolfe, Representative from the City of Stratford

7. BOARD CHAIR AND CHIEF EXECUTIVE OFFICE REPORT & PRESENTATIONS

Board Chair, Dick Burgess presented highlights of the past year, referring to the 2013/2014 Community Report handed out this evening, and focussing on the Huron Perth Healthcare Alliance's priority of patient experience and the inclusion of everyone in the patient's health care journey. He noted HPHA's reputation as a leading organization that embraces change, while retaining its focus on what's best for the patient. He referred to the success of our organization being measured in a number of ways such as the ability to attract and retain exceptional people, receiving top scores in patient satisfaction results and taking pride in the quality of service provided. Dick commended and thanked everyone who continues to play a part in HPHA's success, including the Board, staff, physicians and volunteers, as well as everyone in our communities, for making 2013/2014 a successful year.

8. THANKS AND RECOGNITION

Andrew Williams thanked all of the volunteers of the Huron Perth Healthcare Alliance for their contributions to the organization over the past year. Marilyn Haywood, retiring member of the St. Marys Memorial Hospital Local Advisory Committee was presented with a plaque and recognized for her dedication and commitment to the organization.

Leslie Showers presented outgoing Board Chair Dick Burgess with a plaque and gift. She acknowledged his leadership over the past three years. Dick represented us well and he was thanked him for the countless hours spent in his capacity and for his support, commitment and dedication to the organization.

9. ADJOURNMENT

There being no further business to discuss, the meeting was adjourned at 7:35 p.m.

RESOURCES REPORT

2014/2015

HURON PERTH HEALTHCARE ALLIANCE

Huron Perth Healthcare Alliance
Resources Committee Report
2014/2015

For the fiscal year ending March 31, 2015, the Huron Perth Healthcare Alliance has incurred an operating deficit, with regard to day to day operations, of $1.1 million or 0.9% of its $130 million operating budget. The SWLHIN agreed to allow the HPHA to operate with a deficit for the 2014/15 fiscal year. The agreed deficit of $1.7 million was reduced through the year by a number of initiatives which occurred primarily in the 4th quarter of 2014/15, such as an enhanced focus on patient flow within and between the HPHA sites, ongoing process improvement initiatives and bed realignment between sites.
These operational improvements have had a number of positive impacts including increasing the productivity at all four sites of the Alliance and positioning the HPHA to potentially access "new" funds through the funding formula for the 2016/17 fiscal year.

In 2014/15, the Alliance invested approximately $6.6 million in equipment and building related projects which allows the Alliance to continue to provide quality services in appropriate facilities. These projects included site refreshes at Clinton, Seaforth and St Marys hospitals as well as x ray equipment replacement at the St Marys site. A good portion of the funds necessary for these initiatives is generated through the hard work and commitment of local hospital foundations and auxiliaries.

In looking forward to the 2015/2016 fiscal year, available provincial resources will continue to be tight, which in turn will impact all public sector organizations, including the Huron Perth Healthcare Alliance. Ongoing planning is occurring to allow the Alliance to position itself to receive the maximum available provincial funding, and ensure four viable healthcare sites in the communities served.

In closing, I wish to express my appreciation to the Resources Committee, and Huron Perth Healthcare Alliance's healthcare team: Board, Local Advisory Committees; Foundations; Auxiliaries; Medical staff, Health Care Professionals and administration for their ongoing commitment to providing healthcare services to the communities which the Alliance serves.

Respectfully submitted,

Rena Spevack

Rena Spevack
Chair Resources Committee

HURON PERTH HEALTHCARE ALLIANCE	**Financial Information:** ***Management Discussion and Analysis***

Background

The HPHA entered into an amended one year Hospital Service Accountability Agreement (H-SAA) with the Southwest Local Health Integration network (SWLHIN) in April 2014, which identifies the funding available to the Alliance in return for providing specific service volumes and meeting specific performance targets for the fiscal year.

In September 2014 the Ministry of Health Long Term Care released funding results for the hospital sector for the 2014/15 fiscal year which resulted in minimal change in overall funding for the HPHA.

The Alliance's combined deficit of revenues over expenses, the day to day operations of the HPHA for 2014/15, totalled $1.1 million or 0.9% of the Alliance's overall $130 million operating budget.

Financial Overview 2014/2015

The Alliance ended the year with an operating deficit of $1.1 million and $5.6 million in cash with a current ratio of 0.51

2014/15 was the third year of funding reform for the hospital sector in Ontario. Funding now occurs in three separate streams; quality based procedures (QBPs), hospital based allocation methodology (HBAM) and global funding. Quality based procedures (QBPs) pertain to specific procedures the LHIN funds on a specific dollar rate per procedure times a contracted number of procedures. The number of procedures being funded through the QBP process in 2014/15 now totals 14 for HPHA and it is expected that additional procedures will be introduced by the MoHLTC in future years.

HBAM adjusts a portion of a hospitals funding based on achieving a specific service volume and cost per case. Global funding reflects a set dollar amount to provide non QBP services.

HPHA's total LHIN funding remained essentially unchanged from the 2014/15 fiscal year.

Through 2014/15 fiscal year the HPHA focussed on bed realignment between the four sites, ongoing process improvements and patient flow improvement. As a result of these initiatives, the HPHA performance through HBAM and other productivity measures improved significantly. The Stratford site of the HPHA is the only site currently impacted by funding reform, performance on the HBAM funding methodology and QBPs is projected to substantially beat LHIN/MoHLTC targets in most patient categories. This performance should position the HPHA to see potential revenue gains in the 2016/17 fiscal year through funding reform.

The Alliance had a number of ongoing and completed capital projects in 2014/15 including the implementation of the EPIC electronic health record projects to continue to improve access to clinical information and improve patient safety across the four sites. EPIC focuses on cardiac monitoring integration across the four sites of the Alliance as well as integration of nurse call systems. This integration will enable remote monitoring and consultation of cardiac patients as well as integrate patient call directly to nurse handheld phones. This project supports both HPHA's commitment to safety and the ongoing development of HPHA's electronic health record.

Capital investments in equipment and facilities totalled $6.6 million, of which, a substantial portion was funded by the hard work of local foundations and auxiliaries. Investments in medical and general equipment totalled $3.1 million, and investments in facilities totalled $3.5 million.

Fiscal H-SAA Indicator Performance

The Alliance tracks several key performance indicators related to both our H-SAA and internally identified indicators. The LHIN granted the HPHA a waiver for the 2014/15 fiscal year to run a deficit.

The HPHA financial standards identified in our performance indicators for 2014/15:

- (0.86 %) operating margin vs. (1.3%) H-SAA target
- 0.51 current ratio met the H-SAA standard

The Future

2015/16 will be the fourth year of funding reform, as well as net zero dollar funding increases for the hospital sector. HPHA is expecting to have additional procedures funded through QBPs and also expects improved performance through the HBAM component of the funding envelope. Actual funding will not be known until fall 2015 which will not leave HPHA any significant time to adjust operations should funding be substantially less than planned. HPHA's focus continues to be on improving performance under the new funding approach as well as improving its current ratio and working capital position. It is projected that HPHA's access to re allocated funding within the hospital sector through HBAM will be much improved in the 2016/17 fiscal year based upon the HPHA's performance in 2014/15. The MoHLTC utilizes 2 year old data for funding decisions. HPHA is also assuming that the MoHLTC will not make any significant changes to the funding approach before 2016/17. Four years of net zero increases impact on LHINs with low to no population growth is making the fiscal environment exceptionally challenging as union contracts have once again begun to see modest increases in compensation.

CHIEF EXECUTIVE OFFICER

CHIEF FINANCIAL OFFICER

AUDIT REPORT

2014/2015

HURON PERTH HEALTHCARE ALLIANCE

HURON PERTH HEALTHCARE ALLIANCE

Management's Report

The accompanying Financial Statements of Clinton Public Hospital, Seaforth Community Hospital, St. Marys Memorial Hospital, Stratford General Hospital, and the combined Huron Perth Healthcare Alliance have been prepared by management, and approved by the Board of Directors at their meeting of June 4, 2015.

Management works with the Board of Directors to carry out its responsibility for the financial statements principally through the Audit Committee. Voting membership of this committee is comprised of outside volunteers. The Audit Committee meets with management, and the external auditors to review any significant accounting matters, and discuss the results of audit examinations. The Audit Committee also reviews the financial statements and the auditor's reports and submits its findings to the Board of Directors for their consideration in approving the financial statements.

The Huron Perth Healthcare Alliance maintains a system of internal accounting controls that is continually reviewed and improved to provide assurance the financial information is relevant and reliable, and that assets are properly accounted for and safeguarded.

The financial statements have been prepared in accordance with Canadian generally accepted accounting standards and public sector accounting standards.

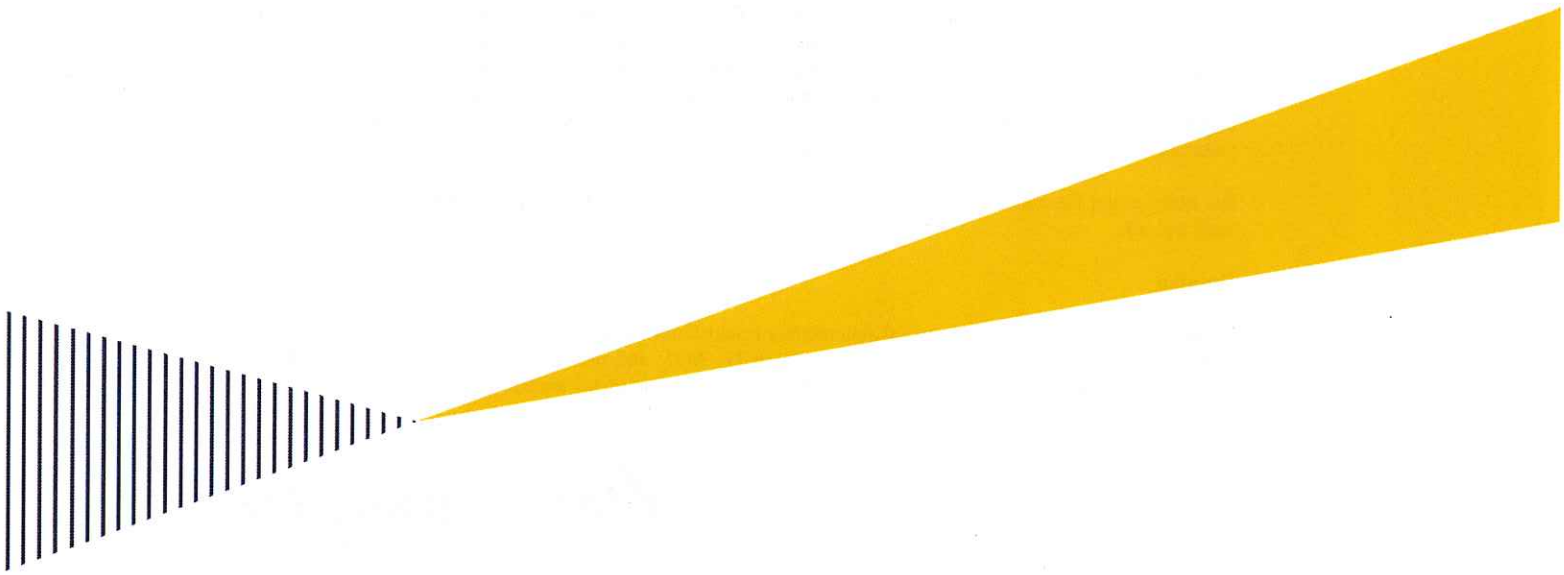
Andrew Williams BSc.(Hon), MHSA,CHE
Chief Executive Officer

Ken Haworth MBA CPA, CMA
Vice President and Chief Financial Officer

Combined Financial Statements

Huron Perth Healthcare Alliance

March 31, 2015



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Huron Perth Healthcare Alliance

We have audited the accompanying combined financial statements of **Huron Perth Healthcare Alliance**, which comprise the combined statement of financial position as at March 31, 2015, and the combined statements of changes in net assets, operations, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the combined financial statements

Management is responsible for the preparation and fair presentation of these combined 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 combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these combined 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 combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the combined 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 combined 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 combined financial statements present fairly, in all material respects, the financial position of **Huron Perth Healthcare Alliance** as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

London, Canada
June 4, 2015

Huron Perth Healthcare Alliance

COMBINED STATEMENT OF FINANCIAL POSITION

As at March 31

	2015 $	2014 $
ASSETS		
Current		
Cash	**5,610,596**	8,209,714
Accounts receivable *[note 3]*	**3,440,533**	3,852,999
Inventories *[note 4]*	**1,899,216**	1,947,169
Prepaid expenses	**1,025,242**	877,503
Total current assets	**11,975,587**	14,887,385
Long-term investments *[note 5]*	**284,267**	284,267
Grant receivable	**2,050,000**	2,050,000
Property and equipment, net *[note 6]*	**92,005,493**	94,022,495
	106,315,347	111,244,147
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities *[note 15]*	**11,196,152**	11,946,337
Accrued salaries and wages	**6,534,846**	6,948,036
Current portion of post-employment benefits *[note 8[b]]*	**1,246,300**	1,038,600
Deferred contributions, expenses of future periods *[note 10]*	**146,870**	41,878
Demand loans and current portion of term loans *[note 7]*	**4,399,510**	3,280,034
Total current liabilities	**23,523,678**	23,254,885
Term loan *[note 7]*	**2,152,418**	2,700,019
Post-employment benefits *[note 8[b]]*	**8,494,100**	8,149,500
Deferred contributions, capital *[note 9]*	**67,774,442**	70,395,559
Total liabilities	**101,944,638**	104,499,963
Contingencies *[note 12]*		
Net assets		
Endowments *[note 11]*	**119,719**	119,719
Unrestricted	**4,250,990**	6,624,465
Total net assets	**4,370,709**	6,744,184
	106,315,347	111,244,147

See accompanying notes

On behalf of the Board:

Mary Atkinson — Board Chair

Lena Sowack — Treasurer

Huron Perth Healthcare Alliance

COMBINED STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	2015			2014
	Endowments	**Unrestricted**	**Total**	**Total**
	$	$	$	$
	[note 11]			
Balance, beginning of year	**119,719**	**6,624,465**	**6,744,184**	9,186,358
Deficiency of revenue over expenses for the year	—	**(2,373,475)**	**(2,373,475)**	(2,442,174)
Balance, end of year	**119,719**	**4,250,990**	**4,370,709**	6,744,184

See accompanying notes

Huron Perth Healthcare Alliance

COMBINED STATEMENT OF OPERATIONS

Year ended March 31

	2015 $	2014 $
REVENUE		
Provincial funding	**104,697,452**	104,452,038
In-patient services	**645,270**	289,216
Out-patient services	**12,367,516**	12,277,747
Preferred accommodation	**845,002**	943,810
Chronic co-payment	**112,696**	153,051
Other revenue *[note 5]*	**8,574,059**	8,227,984
Unrestricted donations and bequests	**39,967**	70,213
Amortization of deferred contributions, capital - equipment	**2,577,552**	2,497,388
	129,859,514	128,911,447
EXPENSES		
Salaries and wages	**64,191,161**	62,244,095
Medical staff remuneration	**15,864,473**	15,633,700
Employee benefits	**18,550,792**	17,467,613
Supplies and other expenses	**20,111,269**	20,017,073
Medical and surgical supplies	**5,058,944**	5,185,817
Drugs	**3,331,548**	3,154,770
Amortization of equipment	**3,836,636**	3,844,636
Interest - non-buildings *[note 7]*	**26,393**	35,129
	130,971,216	127,582,833
Excess (deficiency) of revenue over expenses before PCOP adjustment	**(1,111,702)**	1,328,614
PCOP adjustment *[note 18]*	**—**	(2,493,897)
Deficiency of revenue over expenses before the following	**(1,111,702)**	(1,165,283)
Amortization of deferred contributions, capital - buildings and land improvements	**3,615,887**	3,541,243
Amortization of buildings and land improvements	**(4,741,397)**	(4,696,060)
Interest expense *[note 7]*	**(113,272)**	(110,116)
Net loss on disposal of property and equipment	**(22,991)**	(11,958)
	(1,261,773)	(1,276,891)
Deficiency of revenue over expenses for the year	**(2,373,475)**	(2,442,174)

See accompanying notes

Huron Perth Healthcare Alliance

COMBINED STATEMENT OF CASH FLOWS

Year ended March 31

	2015 $	2014 $
OPERATING ACTIVITIES		
Deficiency of revenue over expenses for the year	**(2,373,475)**	(2,442,174)
Add (deduct) items not involving cash		
Amortization of equipment	**3,836,636**	3,844,636
Amortization of buildings and land improvements	**4,741,397**	4,696,060
Net loss on disposal of property and equipment	**22,991**	11,958
Amortization of deferred contributions, capital - equipment	**(2,577,552)**	(2,497,388)
Amortization of deferred contributions, capital - buildings and land improvements	**(3,615,887)**	(3,541,243)
Increase in post-employment benefits	**344,600**	295,100
	378,710	366,949
Net change in non-cash working capital balances related to operations *[note 14]*	**(538,003)**	4,510,810
Cash provided by (used in) operating activities	**(159,293)**	4,877,759
CAPITAL ACTIVITIES		
Purchase of property and equipment	**(6,626,836)**	(4,232,731)
Proceeds on disposal of property and equipment	**42,814**	846
Cash used in capital activities	**(6,584,022)**	(4,231,885)
FINANCING ACTIVITIES		
Proceeds of demand loan	**2,170,651**	839,000
Repayment of demand loan	**(1,141,740)**	(30,000)
Repayment of term loans	**(457,036)**	(1,048,787)
Contributions received related to capital	**3,572,322**	2,721,157
Cash provided by financing activities	**4,144,197**	2,481,370
Net increase (decrease) in cash during the year	**(2,599,118)**	3,127,244
Cash, beginning of year	**8,209,714**	5,082,470
Cash, end of year	**5,610,596**	8,209,714

See accompanying notes

Huron Perth Healthcare Alliance

NOTES TO COMBINED FINANCIAL STATEMENTS

March 31, 2015

1. PURPOSE OF THE ORGANIZATION

On July 1, 2003, Clinton Public Hospital, Seaforth Community Hospital, St. Marys Memorial Hospital and Stratford General Hospital [the "Hospitals"] entered into an Alliance Agreement to form the Huron Perth Healthcare Alliance [the "Alliance"]. Under the Alliance Agreement, the four hospitals maintain their separate corporate status, but operate as one entity with regard to human resources, financial resources, clinical services, recruitment and governance. The Alliance was created to maintain and improve healthcare services primarily within the region of Huron and Perth counties.

The Alliance is funded primarily by the Southwest Local Health Integration Network ["LHIN"] in accordance with funding policies established by the Ontario Ministry of Health and Long-Term Care [the "MoHLTC"]. Any excess of revenue over expenses earned during a fiscal year may be retained by the Alliance. There is no commitment that deficits incurred by the Alliance will be funded. Therefore, to the extent that deficits are incurred and not funded, future operations may be affected.

The Hospitals operate under Hospital Service Accountability Agreements ["H-SAAs"] with the LHIN. Stratford General Hospital also operates under a Multi-Sector Accountability Agreement [M-SAA"] with the LHIN. These agreements set out the rights and obligations of the two parties in respect of funding provided to the Hospitals by the LHIN. The H-SAAs and M-SAA set out the funding provided to the Hospitals together with performance standards and obligations of the Hospitals that establish acceptable results for the Hospitals' performance.

If any of the Hospitals in the Alliance do not meet certain performance standards and obligations, the LHIN has the right to adjust some funding streams received by the Hospitals. Given that the LHIN is not required to communicate funding adjustments until after the submission of the year-end data, the amount of revenue recognized in these combined financial statements represents management's best estimate of amounts earned during the year.

The Alliance's combined operating deficiency of revenue over expenses is shared based on the percentage interest identified in the Alliance Agreement. The MoHLTC and LHIN revenue is adjusted between the four Hospitals within the Alliance through a "Paymaster" account, to reflect the appropriate operating deficiency of revenue over expenses.

Property and equipment expenditures, which are not funded by the local Foundations, are shared by all four Hospitals based on the percentage interest identified in the Alliance Agreement. During the year the Board of Directors approved a change to the percent interest allocation effective December 1, 2014 to better reflect the associated revenues and costs of each member hospital due to bed realignment in the year.

Post-employment benefits are shared by all four Hospitals based on the percentage interest identified in the Alliance Agreement.

The Alliance liabilities are joint and several for all the Hospitals within the Alliance arrangement including the bank facilities as further explained in note 7.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These combined financial statements are prepared in accordance with the Chartered Professional Accountants of Canada Public Sector ["PS"] Handbook, which sets out generally accepted accounting principles for government not-for-profit organizations in Canada. The Alliance has chosen to use the standards specific to government not-for-profit organizations as set out in PS 4200 to PS 4270. The significant accounting policies are summarized as follows:

[a] Basis of presentation and use of estimates

The combined financial statements of the Alliance include the accounts of the Hospitals. All intercompany accounts and transactions have been eliminated in the accompanying combined financial statements. The combined financial statements represent the operations of the Alliance and do not include the assets, liabilities and activities of affiliated organizations such as Foundations and volunteer associations which, although affiliated with the Hospitals within the Alliance, are not operated or controlled by them.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The significant estimation processes relate to employee future benefits, revenue recognized from the MoHLTC and the LHIN, valuation of accounts receivable and grant receivable, and the useful life of property and equipment. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. Although some variability is inherent in these estimates, management believes that the amounts recorded are appropriate. Actual results could differ from those estimates.

[b] Revenue recognition

The Alliance follows the deferral method of accounting for contributions, which include donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be estimated and collection is reasonably assured. Externally restricted contributions other than endowment contributions are deferred and recognized as revenue in the year in which the related expenses are recognized. Endowment

contributions are recognized as direct increases in net assets. Contributions restricted for the purchase of property and equipment are deferred and amortized to revenue on the same basis as the amortization rate for the related property and equipment.

Revenue from patient services, non-patient services and preferred accommodation are recognized when the services have been provided or when the goods have been sold.

Investment income consists of interest earned on the Alliance's investments. Investment income on unspent deferred capital contributions, if restricted for future use, is deferred as a component of such contributions. Investment income earned on endowment funds is added to deferred capital contributions during the year. All other investment income is recognized as revenue when earned in the combined statement of operations.

[c] Inventories

Inventories are valued at the lower of replacement cost and net realizable value on a weighted average basis. Reviews for obsolete, damaged and expired items are done on a regular basis, and any items that are found to be obsolete, damaged or expired are written off when such determination is made.

[d] Investments

Investments are recorded initially at fair value and subsequently at amortized cost and where there is a reduction in value that is considered other than temporary, the investment is written down. Investments in joint ventures are accounted for using the modified equity method and, as such, are stated at cost plus earnings since acquisition. Transactions are recorded on a trade-date basis.

[e] Property and equipment

Property and equipment are valued at the cost incurred by the Hospital at the date of acquisition. All direct costs and interest related to building and equipment projects are capitalized during the period of construction until the project is complete.

Amortization is provided on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Tangible	
Land improvements	2 1/2% to 10%
Buildings	2% to 10%
Furnishings and equipment	4% to 33 1/3%
Computer hardware	20% to 33 1/3%
Intangible	
Computer software	20% to 33 1/3%

No amortization is recorded on construction in progress until the related assets are put into productive use.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the assets no longer have any long-term service potential for the Alliance. When property and equipment no longer contribute to the Alliance's ability to provide services, its carrying amount is written down to residual value.

[f] Contributed materials and services

Contributed materials and services are not recognized in the combined financial statements.

[g] Post-employment benefits

The Alliance accrues its obligations for post-employment benefits and the related costs, net of plan assets measured at fair value. The cost of post-employment benefits earned by employees is actuarially determined using the projected accrued benefit method pro-rated on service using best estimates of salary escalation, retirement ages of employees and expected health care costs. The discount rate used to determine the accrued benefit obligation was determined by reference to the Alliance's cost of borrowing rate. Differences arising from past service costs are expensed in the period of plan amendment. Differences arising from changes in assumptions and actuarial gains and losses are recognized in income on a straight-line basis over the expected average remaining service life of employees.

[h] Multi-employer defined benefit plan

Defined contribution plan accounting is applied to the multi-employer defined benefit plan, whereby contributions are expensed on an accrual basis, as the Alliance has insufficient information to apply defined benefit plan accounting.

[i] Financial instruments

All financial instruments are initially recorded on the combined statement of financial position at fair value. They are subsequently valued at fair market value, cost or amortized cost as follows:

[i] Accounts receivable are carried at amortized cost, net of any provision for impairment.
[ii] Long-term investments and grant receivable are carried at amortized cost, net of any provision for impairment.
[iii] Accounts payable and accrued liabilities, accrued salaries and wages and demand loans are carried at cost.
[iv] Term debt is carried at amortized cost.

Transaction costs related to financial assets and financial liabilities measured using amortized cost are capitalized with the value of the instrument and amortized to income using the effective interest rate method. All other transaction costs are expensed as incurred.

[j] Remeasurement gains and losses

Remeasurement gains and losses are reported according to their nature, including changes in market value for derivatives, portfolio investments in equity instruments and financial instruments which have been designated to the fair value category. Also included are changes in foreign exchange for items denominated in a foreign currency. As at March 31, 2015, there was no change in the deficiency for the year attributable to fair value changes and foreign currency translation; therefore, the remeasurement gains and losses statement has not been disclosed.

3. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2015 $	2014 $
Provincial funding	**396,044**	534,558
Insurers and patients	**1,399,296**	1,445,900
Grant receivable, current	**—**	640,266
Other	**1,886,993**	1,473,175
	3,682,333	4,093,899
Less allowance for doubtful accounts	**241,800**	240,900
	3,440,533	3,852,999

NOTES TO COMBINED FINANCIAL STATEMENTS

March 31, 2015

4. INVENTORIES

During the year, the Alliance expensed $8,511,869 [2014 – $7,659,829] of inventories. There were no write-downs of inventories to net realizable value or any reversals of any write-downs during the year [2014 – nil].

5. LONG-TERM INVESTMENTS

Long-term investments consist of the following:

	2015 $	2014 $
Guaranteed investment certificate	**119,719**	119,719
Horizon ProResp Inc.	**164,548**	164,548
	284,267	284,267

Horizon ProResp Inc.

Effective January 1, 1996, Horizon ProResp Inc. was incorporated as a joint venture between Stratford General Hospital and a third party for the purposes of providing home care services to patients in Huron and Perth counties. The Stratford General Hospital received 50 common shares, representing 50% of the voting equity of the joint venture, in exchange for equipment, inventories and supplies relating to the home oxygen program that were transferred to the joint venture. The investment is being accounted for according to the modified equity method and, as such, the investment in Horizon ProResp Inc. is stated at cost plus earnings since acquisition.

	2015 $	2014 $
Common share investment – 50% of common share capital	**55,657**	55,657
Share of income since incorporation	**108,891**	108,891
	164,548	164,548

Management fees in the amount of $326,000 [2014 – $321,000] from Horizon ProResp Inc. have been recorded as other revenue.

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2015		
	Cost $	Accumulated amortization $	Net book value $
Tangible			
Land	**345,841**	—	**345,841**
Other non-amortized assets	**147,010**	—	**147,010**
Land improvements	**1,795,871**	**1,240,685**	**555,186**
Buildings	**131,862,437**	**52,924,233**	**78,938,204**
Furnishings and equipment	**51,915,016**	**43,970,225**	**7,944,791**
Computer hardware	**4,211,766**	**2,896,609**	**1,315,157**
Construction in progress	**1,113,256**	—	**1,113,256**
	191,391,197	**101,031,752**	**90,359,445**
Intangible			
Computer software	**5,561,696**	**3,915,648**	**1,646,048**
	196,952,893	**104,947,400**	**92,005,493**

	2014		
	Cost $	Accumulated amortization $	Net book value $
Tangible			
Land	345,841	—	345,841
Other non-amortized assets	147,010	—	147,010
Land improvements	1,795,871	1,163,423	632,448
Buildings	128,928,662	48,260,100	80,668,562
Furnishings and equipment	53,788,816	44,978,930	8,809,886
Computer hardware	3,937,580	2,437,812	1,499,768
Construction in progress	613,529	—	613,529
	189,557,309	96,840,265	92,717,044
Intangible			
Computer software	4,609,025	3,303,574	1,305,451
	194,166,334	100,143,839	94,022,495

NOTES TO COMBINED FINANCIAL STATEMENTS

March 31, 2015

7. DEMAND LOANS AND TERM LOANS

The various facilities are presented as follows on the combined statement of financial position:

	2015 $	2014 $
Demand loans [a]	**3,469,651**	2,059,000
Current portion of term loans [b]	**929,859**	1,221,034
Total demand loans and current portion of term loans	**4,399,510**	3,280,034
Term loan [b]	**2,152,418**	2,700,019

[a] Demand loans

The Alliance has a $7,000,000 revolving demand facility [the "Facility"] with the Royal Bank of Canada ["RBC"] to finance general operating requirements. The Facility bears interest at bank prime [2.85%] minus 0.65%. As at March 31, 2015, nil [2014 – nil] has been drawn on the Facility.

The Alliance also has an $8,000,000 revolving demand facility with the RBC to finance the acquisition of capital assets, including equipment and property [the "Capital Facility"]. The Facility bears interest at the Bankers' Acceptance ["BA"] rate plus 0.30%. As at March 31, 2015, $3,469,651 [2014 – $2,059,000] has been drawn on the Capital Facility.

[b] Term loans

The Alliance has a term facility with RBC that was used to finance the completion of the Stratford Site Redevelopment Project [the "SSRP Facility"]. The SSRP Facility bears interest at bank prime [2.85%] minus 0.65%. As at March 31, 2015, $2,810,952 is outstanding on the SSRP Facility [2014 – $2,810,953]. Interest payments are made monthly on the 26th day of each month and annual principal payments are due March 31 of the respective year. The maturity date of this facility is March 31, 2019.

The Alliance also has term instalment loan with the Canadian Imperial Bank of Commerce ["CIBC"] that was used to finance the Magnetic Resonance Imaging machine at the Stratford site, and the Automated Drug Cabinets at all four Alliance sites [the "MRI Facility"]. The MRI Facility bears interest at bank prime [2.85%] minus 0.55%. As at March 31, 2015, $271,325 [2014 – $1,110,100] is outstanding. The MRI Facility has a maturity date of March 31, 2017 with interest due quarterly in arrears.

[c] Other facility

The Alliance also has access to a $9,000,000 revolving lease line of credit [the "Lease Facility"] with RBC, by way of lease agreements with RBC. The purpose of the Lease Facility is to fund the acquisition of capital assets, including equipment and software. The Lease Facility bears interest at the applicable rate contained in the respective lease agreement entered. As at March 31, 2015, nil [2014 – nil] has been drawn on the Lease Facility.

Loans that the lender can require to be repaid on demand are classified as current liabilities. Management does not believe that the demand features will be exercised in the current year. Assuming payment is not demanded; principal repayments required on term loans over the next four fiscal years are as follows:

	$
2016	929,859
2017	658,534
2018	658,534
2019	835,351
	3,082,278

8. POST-EMPLOYMENT BENEFITS

[a] Pension plan

Substantially all of the full-time employees of the Alliance are members of the Hospitals of Ontario Pension Plan [the "HOOPP"]. The HOOPP is a multi-employer, defined benefit pension plan. HOOPP members will receive benefits based on their length of service and on the average of their annualized earnings during the five consecutive years prior to retirement, termination or death that provides the highest earnings. Employer contributions made to the HOOPP during the year by the Alliance amounted to $5,157,475 [2014 – $4,988,309].

The most recent actuarial valuation for financial reporting purposes completed by HOOPP as at December 31, 2014 disclosed net assets available for benefits of $60,848 million [2013 – $51,626 million] with pension obligations of $46,923 million [2013 – $41,478 million], resulting in a surplus of $13,925 million [2013 – $10,148 million]. The cost of pension benefits is determined by HOOPP at $1.26 per every dollar of employee contributions. As at December 31, 2014, HOOPP was 115% funded [2013 – 114%].

[b] Post-employment benefits

Retirees and surviving spouses of retirees are eligible for life insurance, drug, other medical, dental and hospital benefits covered under the non-pension, post-retirement benefit plan [the "Plan"] after they turn 55. The Plan is funded on a pay-as-you-go basis and the Hospitals fund on a cash basis as benefits are paid. During the year, benefits paid totalled $226,145 [2014 – $121,943].

The most recent actuarial valuation for funding purposes was completed by the Alliance's independent actuaries as at March 31, 2014.

The following table presents information related to the Alliance's post-retirement benefits as at March 31, including the amounts recorded on the combined statement of financial position, and components of net periodic benefit cost:

	2015 $	2014 $
Accrued benefit obligation		
Balance, beginning of year	**10,724,900**	10,137,700
Plan amendment	**201,800**	—
Current service cost	**557,900**	503,600
Interest cost	**506,800**	406,400
Benefits paid	**(694,000)**	(651,000)
Actuarial (gain) loss	**(1,736,600)**	328,200
Balance, end of year	**9,560,800**	10,724,900
Unamortized net actuarial gain (loss)	**179,600**	(1,536,800)
Post-employment benefits	**9,740,400**	9,188,100
Less: current portion	**1,246,300**	1,038,600
	8,494,100	8,149,500

The accrued benefit obligation for non-pension post-employment benefits is included in the long-term liabilities as post-employment benefits, with the current portion of post-employment benefits separately disclosed. Unamortized actuarial loss (gain) is amortized over the expected average remaining service life of employees.

The Alliance's benefit plan expense was as follows:

	2015 $	2014 $
Current service cost	**557,900**	503,600
Interest cost	**506,800**	406,400
Amortization of net actuarial loss	**181,600**	128,600
Current portion of post-employment benefits	**1,246,300**	1,038,600

The significant actuarial assumptions adopted in measuring the Alliance's accrued benefit obligation and the expense for post-employment benefits is as follows:

	2015 %	2014 %
Discount rate – net accrued benefit expense	**4.55**	3.94
Discount rate – accrued benefit obligation	**3.43**	4.55
Extended health care premium increases	**5.80**	5.90
Dental premium increases	**4.00**	4.00

The extended health care premiums are expected to decrease by 0.1% per annum to an ultimate rate of 3.9%. The expected average remaining service lifetime of active employees is 11.48 years.

9. DEFERRED CONTRIBUTIONS, CAPITAL

Deferred contributions related to property and equipment are as follows:

	2015 $	2014 $
Balance, beginning of year	**70,395,559**	73,713,033
Additional contributions received [*note 13*]	**3,572,322**	2,721,157
Less amounts amortized to revenue	**(6,193,439)**	(6,038,631)
Balance, end of year	**67,774,442**	70,395,559

The balance of unamortized capital contributions related to property and equipment consists of the following:

	2015 $	2014 $
Unamortized capital contributions used to purchase property and equipment	**67,654,380**	70,062,501
Unspent contributions	**120,062**	333,058
	67,774,442	70,395,559

10. DEFERRED CONTRIBUTIONS, EXPENSES OF FUTURE PERIODS

Deferred contributions, expenses of future periods, represent unspent externally restricted contributions, grants and donations. Changes in the deferred contributions, expenses of future periods balance, are as follows:

	2015 $	2014 $
Balance, beginning of year	**41,878**	116,952
Contributions, grants and donations	**195,550**	100,000
Items reclassified to accrued liabilities subject to clawback	**—**	(14,320)
Amounts earned	**(90,558)**	(160,754)
Balance, end of year	**146,870**	41,878

The deferred contributions will be spent as follows:

	2015 $	2014 $
Mental health programs	**18,114**	33,561
Other	**28,756**	8,317
	146,870	41,878

NOTES TO COMBINED FINANCIAL STATEMENTS

March 31, 2015

11. ENDOWMENTS

All of the net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the principal be maintained intact in perpetuity. Investment income on the assets restricted for endowment purposes is externally restricted for capital purposes. The total investment income earned on endowments during the year was $2,922 [2014 – $2,913] and was included in deferred contributions, capital during the year.

12. CONTINGENCIES

The Alliance is involved from time to time as plaintiff or defendant in various legal actions that arise in the normal course of operations. Any contingent gains arising on such actions are included in income when they are assured. Provisions for contingent losses are provided at such time as management concludes that a loss is likely and can be estimated. As at March 31, 2015, management believes adequate provision for losses has been made in the accounts.

13. RELATED PARTY TRANSACTIONS

Related party transactions during the year not separately disclosed in the combined financial statements include the following:

[a] The Alliance receives donations from the member hospitals' Foundations [the "Foundations"]. Each Foundation has its own Board of Directors and is independent of the Alliance. The individual Foundations are incorporated under the laws of Ontario. They are registered as public foundations and, as such, are exempt from income taxes and able to issue donation receipts for income tax purposes. The assets, liabilities, revenue and expenses of the Foundations have not been included in these combined financial statements.

Donations of $1,615,009 [2014 – $1,770,667] were received from the Foundations for equipment purchases and capital projects. These amounts have been included in deferred contributions, capital.

During the year, the Alliance provided administrative services including payroll processing at no cost to three of the Foundations.

As at March 31, 2015, an amount of $40,386 [2014 – $28,388] was due from the Foundations. The amount is non-interest-bearing and due on demand.

[b] Alliance operations – Stratford General Hospital is acting as the central financial processing entity for the Alliance, processing all cheque and payroll distributions for all four Hospitals in the Alliance from its bank account.

NOTES TO COMBINED FINANCIAL STATEMENTS

March 31, 2015

14. COMBINED STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2015 $	2014 $
Decrease (increase) in current assets		
Accounts receivable	**412,466**	1,681,564
Inventories	**47,953**	28,735
Prepaid expenses	**(147,739)**	(336,456)
	312,680	1,373,843
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	**(750,185)**	2,475,363
Accrued salaries and wages	**(413,190)**	644,178
Post-employment benefits	**207,700**	92,500
Deferred contributions, expenses of future periods	**104,992**	(75,074)
	(850,683)	3,136,967
	(538,003)	4,510,810

Interest of $145,245 related to the demand and term facilities of the Alliance was paid during the year.

15. MIDWIFERY PROGRAMS

The Stratford General Hospital acts as a transfer payment agency for a midwifery program funded through the MoHLTC Community Health and Prevention Branch – Ontario Midwifery Program ["OMP"]. The gross revenue and expenses of the Midwifery Program of $3,883,121 [2014 – $3,433,142] are included in the combined statement of operations. The excess of OMP funding over OMP allowed expenses for 2015 is $287,545 [2014 – $200,144], which is due to the MoHLTC's OMP and is included in accounts payable and accrued liabilities as at March 31, 2015.

16. DIABETES PROGRAM

Funding for the Diabetes Education Program of $986,107 (2014 – $993,107) is now part of the Stratford General Hospital's H-SAA. This funding is to be used specifically for this program and the funding cannot be used for any other purpose without prior written approval from the LHIN. In 2015, the entire funding of $986,107 was used specifically for the Diabetes Education Program and all reporting requirements were met.

17. FINANCIAL INSTRUMENTS

Financial instrument classification

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the reliability of the data used to determine fair value. The fair value hierarchy is made up of the following levels:

Level 1 – valuation based on quoted prices [unadjusted] in active markets for identical assets or liabilities;
Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data [unobservable inputs].

The fair value hierarchy requires the use of observable data from the market each time such data exists. A financial instrument is classified at the lowest level of hierarchy for which significant input has been considered in measuring fair value.

The cash and guaranteed investment certificate held by the Alliance is classified as Level 1 according to the fair value hierarchy described above. There have been no material transfers between Levels 1 and 2 for the year ended March 31, 2015.

Risk management

The Alliance is exposed to a range of financial risks including market risk, interest rate risk, credit risk and liquidity risk. The Alliance manages these risks in accordance with its internal policies.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market conditions, whether those changes are caused by factors specific to the individual instrument or factors affecting all securities traded in the market. The

Alliance's exposure to market risk is limited as a result of the investment portfolio comprising only long-term, fixed-income securities.

Interest rate risk
Interest rate risk refers to the effect on the fair value or future cash flows of a financial instrument due to fluctuations in interest rates. The Alliance is exposed to financial risk that arises from fluctuations in the interest rate on its credit facilities because the interest rate is linked to the bank's prime rate and BA rate, which changes from time to time. Changes in variable interest rates could cause unanticipated fluctuations in the Alliance's operating results.

Credit risk
Credit risk arises from the possibility that the entities from which the Alliance receives funding may experience difficulty and be unable to fulfill their obligations. The majority of the Alliance's accounts receivable are owed by government agencies with good credit standing. At year-end, patient and other accounts receivable totalled $1,399,296 [2014 – $1,445,900]. As a result, the requirement for credit risk related reserves for accounts receivable is minimal. The Alliance has no significant concentration of credit risk with any one individual customer. There are no significant past due or impaired balances as at March 31, 2015.

Liquidity risk
Liquidity risk is the risk of the Alliance being unable to meet its obligations as they fall due. The Alliance manages its liquidity risk by forecasting cash flows from operations and anticipated investing, capital and financing activities, and maintaining credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

The majority of accounts payable and accrued charges and accrued salaries and wages are expected to be settled in the next fiscal year. The maturities of other financial liabilities are provided in the notes to the financial statements related to those liabilities.

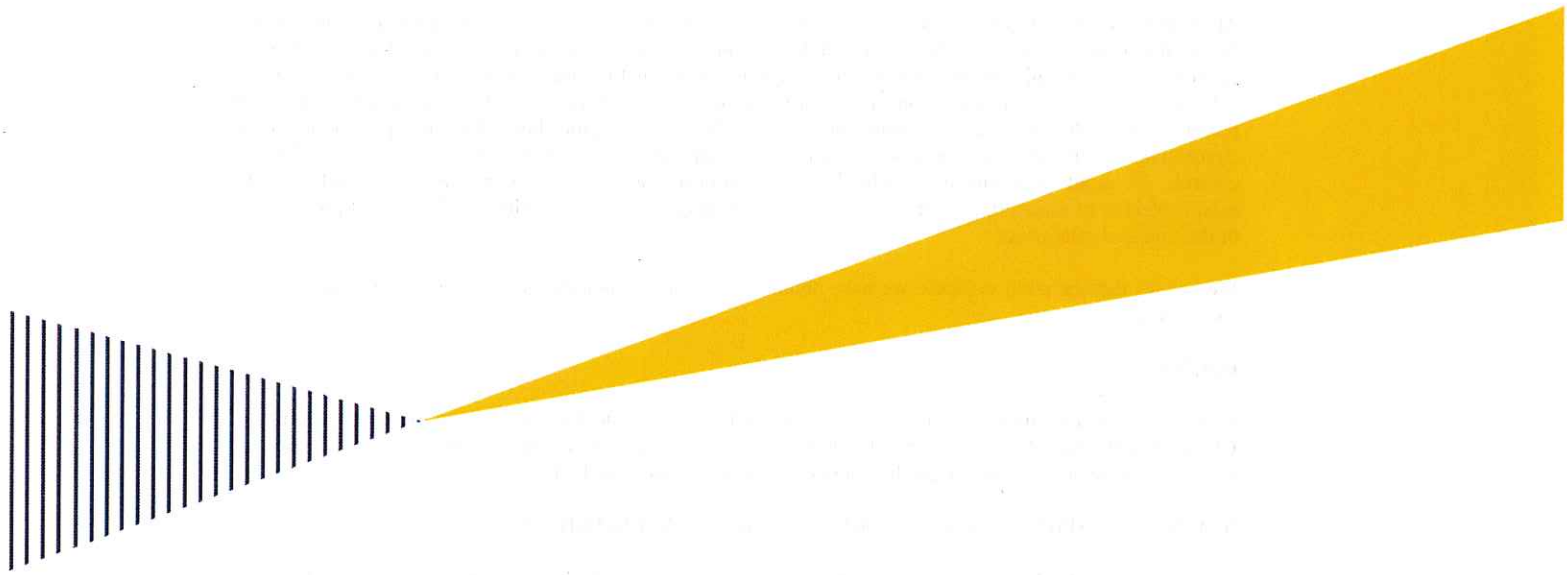
18. PCOP ADJUSTMENT

In the fiscal year 2013/2014, the MoHLTC introduced reconciliation processes to Post Construction Operating Plans ["PCOP"] funding for hospitals in Ontario. The reconciliation covered the 2009 through 2013 fiscal years, resulting in a one-time adjustment in addition to the Alliance's previously estimated liability. As a result, the Alliance recognized an additional one-time adjustment of $2,493,897 in the prior year.

Financial Statements

Clinton Public Hospital

March 31, 2015



Building a better working world

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Clinton Public Hospital

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Clinton Public Hospital**, which comprise the statement of financial position as at March 31, 2015, and the statements of changes in net assets, operations, 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.

Auditors' 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 auditors' 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 auditors consider 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 **Clinton Public Hospital** as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Corporations Act (Ontario), we report that, in our opinion, Canadian public sector accounting standards have been applied on a consistent basis with the preceding year.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

London, Canada
June 4, 2015

Clinton Public Hospital
Incorporated without share capital under the laws of Ontario

STATEMENT OF FINANCIAL POSITION

As at March 31

	2015	2014
	$	$
ASSETS		
Current		
Cash	**2,078,386**	2,877,530
Accounts receivable *[note 3]*	**116,565**	97,173
Inventories *[note 5]*	**129,552**	131,615
Prepaid expenses	**97,087**	88,499
Total current assets	**2,421,590**	3,194,817
Property and equipment, net *[note 6]*	**4,650,741**	4,302,077
	7,072,331	7,496,894
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	**124,330**	75,280
Due to other Alliance entity *[note 4]*	**289,876**	1,640,379
Accrued salaries and wages	**476,094**	572,736
Current portion of post-employment benefits *[note 8]*	**174,482**	119,440
Demand loan *[note 7]*	**583,167**	—
Total current liabilities	**1,647,949**	2,407,835
Post-employment benefits *[note 8]*	**1,189,174**	937,190
Deferred contributions, capital *[note 9]*	**2,175,791**	1,760,252
Total liabilities	**5,012,914**	5,105,277
Contingencies *[note 10]*		
Net assets	**2,059,417**	2,391,617
	7,072,331	7,496,894

See accompanying notes

On behalf of the Board:

Mary Atkinson — Board Chair

Lena Sowack — Treasurer

Clinton Public Hospital

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	2015	2014
	$	$
Balance, beginning of year	**2,391,617**	2,708,700
Deficiency of revenue over expenses for the year	**(332,200)**	(317,083)
Balance, end of year	**2,059,417**	2,391,617

See accompanying notes

Clinton Public Hospital

STATEMENT OF OPERATIONS

Year ended March 31

	2015 $	2014 $
REVENUE		
Provincial funding *[note 4]*	**9,784,915**	8,157,218
In-patient services	**24,983**	910
Out-patient services	**1,657,230**	1,687,750
Preferred accommodation	**79,580**	77,506
Chronic co-payment	**15,224**	6,976
Other revenue	**165,468**	216,251
Unrestricted donations and bequests	**—**	4,230
Amortization of deferred contributions, capital - equipment	**97,723**	242,120
	11,825,123	10,392,961
EXPENSES		
Salaries and wages	**5,970,639**	4,971,514
Medical staff remuneration	**1,595,720**	1,650,134
Employee benefits	**1,722,262**	1,429,156
Supplies and other expenses	**1,726,642**	1,559,407
Medical and surgical supplies	**480,881**	408,736
Drugs	**159,846**	138,865
Amortization of equipment	**302,978**	370,802
	11,958,968	10,528,614
Deficiency of revenue over expenses before the following	**(133,845)**	(135,653)
Amortization of deferred contributions, capital - buildings and land improvements	**84,059**	84,575
Amortization of buildings and land improvements	**(272,863)**	(266,275)
Interest on demand loan *[note 7]*	**(3,588)**	—
Net gain (loss) on disposal of property and equipment	**(5,963)**	270
	(198,355)	(181,430)
Deficiency of revenue over expenses for the year	**(332,200)**	(317,083)

See accompanying notes

Clinton Public Hospital

STATEMENT OF CASH FLOWS

Year ended March 31

	2015 $	2014 $
OPERATING ACTIVITIES		
Deficiency of revenue over expenses for the year	**(332,200)**	(317,083)
Add (deduct) non-cash items		
Amortization of equipment	**302,978**	370,802
Amortization of buildings and land improvements	**272,863**	266,275
Net (gain) loss on disposal of property and equipment	**5,963**	(270)
Amortization of deferred contributions, capital - equipment	**(97,723)**	(242,120)
Amortization of deferred contributions, capital - buildings and land improvements	**(84,059)**	(84,575)
Increase in post-employment benefits	**251,984**	33,934
	319,806	26,963
Net change in non-cash working capital balances related to operations *[note 12]*	**(1,368,970)**	1,005,489
Cash provided by (used in) operating activities	**(1,049,164)**	1,032,452
CAPITAL ACTIVITIES		
Purchase of property and equipment	**(934,650)**	(348,117)
Proceeds on disposal of property and equipment	**4,182**	281
Cash used in capital activities	**(930,468)**	(347,836)
FINANCING ACTIVITIES		
Proceeds of demand loan	**583,167**	—
Contributions received related to capital	**597,321**	165,100
Cash provided by financing activities	**1,180,488**	165,100
Net increase (decrease) in cash during the year	**(799,144)**	849,716
Cash, beginning of year	**2,877,530**	2,027,814
Cash, end of year	**2,078,386**	2,877,530

See accompanying notes

Clinton Public Hospital

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

1. PURPOSE OF THE ORGANIZATION

Clinton Public Hospital [the "Hospital"] is funded primarily by the Southwest Local Health Integration Network ["LHIN"] in accordance with funding policies established by the Ontario Ministry of Health and Long-Term Care [the "MoHLTC"]. Any excess of revenue over expenses earned during a fiscal year may be retained by the Hospital. There is no commitment that deficits incurred by the Hospital will be funded. Therefore, to the extent that deficits are incurred and not funded, future operations may be affected.

The Hospital, along with Seaforth Community Hospital, St. Marys Memorial Hospital and Stratford General Hospital are members of the Huron Perth Healthcare Alliance [the "Alliance"] and the individual Hospitals' financial results are influenced by this membership *[note 4]*.

The Hospital operates under Hospital Service Accountability Agreement ["H-SAA"] with the LHIN. This agreements sets out the rights and obligations of the two parties in respect of funding provided to the Hospital by the LHIN. The H-SAA sets out the funding provided to the Hospital together with performance standards and obligations of the Hospital that establish acceptable results for the Hospital's performance.

If the Hospital does not meet certain performance standards and obligations, the LHIN has the right to adjust some funding streams received by the Hospital. Given that the LHIN is not required to communicate funding adjustments until after the submission of the year-end data, the amount of revenue recognized in these financial statements represents management's best estimates of amounts earned during the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with the Chartered Professional Accountants of Canada Public Sector ["PS"] Handbook, which sets out generally accepted accounting principles for government not-for-profit organizations in Canada. The Hospital has chosen to use the standards specific to government not-for-profit organizations as set out in PS 4200 to PS 4270. The significant accounting policies are summarized as follows:

[a] Basis of presentation and use of estimates

The financial statements represent the operations of the Hospital and do not include the assets, liabilities and activities of affiliated organizations such as the Clinton Public Hospital Foundation [the "Foundation"] and volunteer associations, which, although affiliated to the Hospital, are not operated or controlled by it.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The significant estimation processes relate to employee future benefits, revenue recognized from the MoHLTC and the LHIN, valuation of accounts receivable, and the useful life of property and equipment. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. Although some variability is inherent in these estimates, management believes that the amounts recorded are appropriate. Actual results could differ from those estimates.

[b] Revenue recognition

The Hospital follows the deferral method of accounting for contributions which include donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be estimated and collection is reasonably assured. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of property and equipment are deferred and amortized to revenue on the same basis as the amortization rate for the related property and equipment.

Revenue from patient services, non-patient services and preferred accommodation are recognized when the services have been provided or when the goods have been sold.

[c] Inventories

Inventories are valued at the lower of replacement cost and net realizable value on a weighted average basis. Reviews for obsolete, damaged and expired items are done on a regular basis, and any items that are found to be obsolete, damaged or expired are written off when such determination is made.

[d] Property and equipment

Property and equipment are valued at the cost incurred by the Hospital at the date of acquisition. All direct costs and interest related to building and equipment projects are capitalized during the period of construction until the project is complete.

Amortization is provided on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Tangible	
Land improvements	2 $^{1}/_{2}$% to 10%
Buildings	2% to 10%
Furnishings and equipment	4% to 33 $^{1}/_{3}$%
Computer hardware	20% to 33 $^{1}/_{3}$%
Intangible	
Computer software	20% to 33 $^{1}/_{3}$%

No amortization is recorded on construction in progress until the related assets are put into productive use.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer has any long-term service potential to the Hospital. When an item of property and equipment no longer contributes to the Hospital's ability to provide services, its carrying amount is written down to residual value.

[e] Contributed materials and services

Contributed materials and services are not recognized in the financial statements.

[f] Post-employment benefits

The Hospital accrues its obligations for post-employment benefits and the related costs, net of plan assets measured at fair value. The cost of post-employment benefits earned by employees is actuarially determined using the projected accrued benefit method pro-rated on service using best estimates of salary escalation, retirement ages of employees and expected health care costs. The discount rate used to determine the accrued benefit obligation was determined by reference to the Hospital's cost of borrowing rate. Differences arising from past service costs are expensed in the period of plan amendment. Differences arising from changes in assumptions and actuarial gains and losses are recognized in income on a straight-line basis over the expected average remaining service life of employees.

[g] Multi-employer defined benefit plan

Defined contribution plan accounting is applied to the multi-employer defined benefit plan, whereby contributions are expensed on an accrual basis, as the Hospital has insufficient information to apply defined benefit plan accounting.

[h] Financial instruments

All financial instruments are initially recorded on the statement of financial position at fair value. They are subsequently valued at fair market value, cost or amortized cost as follows:

[i] Accounts receivable are carried at amortized cost, net of any provision for impairment.
[ii] Accounts payable and accrued liabilities, accrued salaries and wages, and demand loans are carried at cost.

Transaction costs related to financial assets and financial liabilities measured using amortized cost are capitalized with the value of the instrument and amortized to income using the effective interest rate method. All other transaction costs are expensed as incurred.

[i] Remeasurement gains and losses

Remeasurement gains and losses are reported according to their nature, including changes in market value for derivatives, portfolio investments in equity instruments and financial instruments which have been designated to the fair value category. Also included are changes in foreign exchange for items denominated in a foreign currency. As at March 31, 2015, there was no change in the deficiency for the year attributable to fair value changes and foreign currency translation; therefore, the statement of remeasurement gains and losses has not been disclosed.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2015 $	2014 $
Provincial funding	—	12,777
Insurers and patients	**105,153**	79,243
Other	**31,512**	22,253
	136,665	114,273
Less allowance for doubtful accounts	**20,100**	17,100
	116,565	97,173

4. HURON PERTH HEALTHCARE ALLIANCE

The combined operating deficiency of revenue over expenses of the Alliance is shared based on the percent interest of each member Hospital in the Alliance. The MoHLTC and LHIN revenue is adjusted between the four Hospitals within the Alliance through a "Paymaster" account, to reflect the appropriate operating deficiency of revenue over expenses. During the year the Board of Directors approved a change to the percent interest allocation effective December 1, 2014 to better reflect the associated revenues and costs of each member hospital due to bed realignment in the year.

	2015 $	2014 $
Clinton Public Hospital provincial funding	**9,363,196**	9,372,972
Adjustment for the Hospital's share of the Alliance operating deficiency	**302,919**	(1,215,754)
Transfer of cataract funding from Stratford General Hospital	**118,800**	—
Provincial funding adjusted revenue	**9,784,915**	8,157,218

Effective December 1, 2014, the Board of Directors approved a change to the percent interest allocation to better reflect the associated revenues and costs of each member hospital due to bed realignment in the year. The percent interest changed from 11.5% to 14%. This impacts the adjustment for the Hospital's share of the Alliance operating deficiency in the above table.

Property and equipment expenditures not funded by the local Foundations and post-employment benefits are shared by all four Hospitals based on their respective percent interest in the Alliance.

The amount owing to Stratford General Hospital as at March 31, 2015 is $289,976 [2014 – $1,640,379]. This amount is non-interest bearing with no set repayment terms.

5. INVENTORIES

During the year, the Hospital expensed $505,314 [2014 – $411,187] of inventories. There were no write-downs of inventories to net realizable value or any write-down reversals during the year [2014 – nil].

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2015		
	Cost $	Accumulated amortization $	Net book value $
Tangible			
Land	**85,246**	—	**85,246**
Land improvements	**111,888**	**48,822**	**63,066**
Buildings	**7,347,013**	**4,218,431**	**3,128,582**
Furnishings and equipment	**6,164,624**	**5,338,757**	**825,867**
Computer hardware	**608,935**	**455,494**	**153,441**
Construction in progress	**144,323**	—	**144,323**
	14,462,029	**10,061,504**	**4,400,525**
Intangible			
Computer software	**694,422**	**444,206**	**250,216**
	15,156,451	**10,505,710**	**4,650,741**

	2014		
	Cost	Accumulated amortization	Net book value
	$	$	$
Tangible			
Land	85,246	—	85,246
Land improvements	111,888	40,333	71,555
Buildings	7,057,201	3,954,059	3,103,142
Furnishings and equipment	6,159,058	5,499,693	659,365
Computer hardware	574,114	405,723	168,391
Construction in progress	66,317	—	66,317
	14,053,824	9,899,808	4,154,016
Intangible			
Computer software	517,213	369,152	148,061
	14,571,055	10,268,960	4,302,077

7. DEMAND LOANS AND TERM DEBT

The Hospital has a joint and several obligation for the borrowings of the Alliance under various loan facilities with CIBC and RBC. As at March 31, 2015, the outstanding borrowings amounted to $6,551,928 [2014 – $5,980,053]. Of this debt, the Hospital has a $583,167 draw [2014 – nil] from an $8,000,000 revolving demand facility with the RBC to finance the acquisition of capital assets. The Facility bears interest at the Bankers' Acceptance ["BA"] rate plus 0.30%.

8. POST-EMPLOYMENT BENEFITS

[a] Pension plan

Substantially all of the full-time employees of the Hospital are members of the Hospitals of Ontario Pension Plan ["HOOPP"]. HOOPP is a multi-employer, defined benefit pension plan. HOOPP members will receive benefits based on their length of service and on the average of their annualized earnings during the five consecutive years prior to retirement, termination or death that provides the highest earnings. Employer contributions made to HOOPP during the year by the Hospital amounted to $483,830 [2014 – $387,831].

The most recent actuarial valuation for financial reporting purposes completed by HOOPP as at December 31, 2014 disclosed net assets available for benefits of $60,848 million [2013 – $51,626 million] with pension obligations of $46,923 million [2013 – $41,478 million], resulting

in a surplus of $13,925 million [2013 – $10,148 million]. The cost of pension benefits is determined by HOOPP at $1.26 per every dollar of employee contributions. As at December 31, 2014, HOOPP was 115% funded [2013 – 114%].

[b] Post-employment benefits

Retirees and surviving spouses of retirees are eligible for life insurance, drug, other medical, dental and hospital benefits covered under the non-pension post-retirement benefit plan [the "Plan"] after they turn 55. The Plan is funded on a pay-as-you-go basis and the Hospital funds on a cash basis as benefits are paid. During the year, benefits paid totalled $23,397 [2014 – $16,831].

The most recent actuarial valuation for funding purposes was completed by the Alliance's independent actuaries as at March 31, 2014.

The following table presents information related to the Hospital's post-retirement benefits as at March 31, including the amounts recorded on the statement of financial position, and components of net periodic benefit cost:

	2015 $	2014 $
Accrued benefit obligation		
Balance, beginning of year	**1,233,363**	1,165,836
Plan amendment	**23,207**	—
Current service cost	**78,106**	57,915
Interest cost	**70,952**	46,736
Benefits paid	**(97,160)**	(74,865)
Actuarial (gain) loss	**(243,124)**	37,741
Adjustment: change in percent interest	**273,168**	—
Balance, end of year	**1,338,512**	1,233,363
Unamortized net actuarial gain (loss)	**25,144**	(176,733)
Post-employment benefits	**1,363,656**	1,056,630
Less: current portion	**174,482**	119,440
	1,189,174	937,190

The accrued benefit obligation for non-pension post-employment benefits is included in long-term liabilities as post-employment benefits, with the current portion of post-employment benefits separately disclosed. Unamortized actuarial losses (gain) are amortized over the expected average remaining service life of employees.

	2015 $	2014 $
Current service cost	**78,106**	57,915
Interest cost	**70,952**	46,736
Amortization of net actuarial losses	**25,424**	14,789
Current portion of post-employment benefits	**174,482**	119,440

The significant actuarial assumptions adopted in measuring the Hospital's accrued benefit obligation and the expense for post-employment benefits are as follows:

	2015 %	2014 %
Discount rate – net accrued benefit expense	**4.55**	3.94
Discount rate – accrued benefit obligation	**3.43**	4.55
Extended health care premium increases	**5.80**	5.90
Dental premium increases	**4.00**	4.00

The extended health care premiums are expected to decrease by 0.1% per annum to an ultimate rate of 3.9%. The expected average remaining service lifetime of active employees is 11.48 years.

9. DEFERRED CONTRIBUTIONS, CAPITAL

Deferred contributions related to property and equipment are as follows:

	2015 $	2014 $
Balance, beginning of year	**1,760,252**	1,921,847
Additional contributions received	**597,321**	165,100
Less amounts amortized to revenue	**(181,782)**	(326,695)
Balance, end of year	**2,175,791**	1,760,252

There were no unspent contributions included in the balance of unamortized capital contributions related to property and equipment [2014 – nil].

10. CONTINGENCIES

The Hospital is involved from time to time as plaintiff or defendant in various legal actions that arise in the normal course of operations. Any contingent gains arising on such actions are included in income when they are assured. Provisions for contingent losses are provided at such time as management concludes that a loss is likely and can be estimated. As at March 31, 2015, management believes adequate provision for losses has been made in the accounts.

11. RELATED PARTY TRANSACTIONS

Related party transactions during the year, not separately disclosed in the financial statements, include the following:

[a] The Hospital receives donations from the Foundation. The Foundation has its own Board of Directors and is independent of the Hospital. The Foundation is incorporated under the laws of Ontario. It is registered as a public foundation and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. The assets, liabilities, revenue and expenses of the Foundation have not been included in these financial statements.

Donations of $138,512 [2014 – $103,862] were received from the Foundation for equipment purchases and capital projects. These amounts have been included in deferred contributions, capital.

[b] Alliance operations – Stratford General Hospital is acting as the central financial processing entity for the Alliance, processing all cheque and payroll distributions for all four Hospitals in the Alliance from its bank account. The Hospital reimburses Stratford General Hospital for its expenditures on a monthly basis.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

12. STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2015 $	2014 $
Decrease (increase) in current assets		
Accounts receivable	**(19,392)**	36,786
Inventories	**2,063**	(10,194)
Prepaid expenses	**(8,588)**	(41,157)
	(25,917)	(14,565)
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	**49,050**	(13,563)
Due to other Alliance entity	**(1,350,503)**	959,857
Accrued salaries and wages	**(96,642)**	63,122
Current portion of post-employment benefits	**55,042**	10,638
	(1,343,053)	1,020,054
	(1,368,970)	1,005,489

13. FINANCIAL INSTRUMENTS

Financial instrument classification

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the reliability of the data used to determine fair value. The fair value hierarchy is made up of the following levels:

Level 1 – valuation based on quoted prices [unadjusted] in active markets for identical assets or liabilities;
Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data [unobservable inputs].

The fair value hierarchy requires the use of observable data from the market each time such data exists. A financial instrument is classified at the lowest level of hierarchy for which significant input has been considered in measuring fair value.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

The cash held by the Hospital is classified as Level 1 according to the fair value hierarchy described above. There have been no material transfers between Levels 1 and 2 for the year ended March 31, 2015.

Risk management

The Hospital is exposed to a range of financial risks including interest rate risk, credit risk and liquidity risk. The Hospital manages these risks in accordance with the Hospital's internal policies.

Interest rate risk
Interest rate risk refers to the effect on the future cash flows of a financial instrument due to fluctuations in interest rates. The Hospital' is exposed to financial risk that arises from fluctuations in the interest rate on its credit facilities because the interest rate is linked to the bank's BA rate, which changes from time to time. Changes in variable interest rates could cause unanticipated fluctuations in the Hospital's operating results.

Credit risk
Credit risk arises from the possibility that the entities from which the Hospital receives funding may experience difficulty and be unable to fulfill their obligations. The majority of the Hospital's accounts receivable are owed by government agencies with good credit standing. At year-end, patient and other accounts receivable totalled $105,153 [2014 – $79,243]. As a result, the requirement for credit risk related reserves for accounts receivable is minimal. The Hospital has no significant concentration of credit risk with any one individual customer. There are no significant past due or impaired balances as at March 31, 2015.

Liquidity risk
Liquidity risk is the risk of the Hospital being unable to meet its obligations as they fall due. The Hospital manages its liquidity risk by forecasting cash flows from operations and anticipated investing, capital and financing activities, and maintaining credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

The majority of accounts payable and accrued charges and accrued salaries and wages are expected to be settled in the next fiscal year. The maturities of other financial liabilities are provided in the notes to the financial statements related to those liabilities.

Financial Statements

St. Marys Memorial Hospital

March 31, 2015

Building a better working world

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
St. Marys Memorial Hospital

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **St. Marys Memorial Hospital**, which comprise the statement of financial position as at March 31, 2015, and the statements of changes in net assets, operations, 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.

Auditors' 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 auditors' 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 auditors consider 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 **St. Marys Memorial Hospital** as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Corporations Act (Ontario), we report that, in our opinion, Canadian public sector accounting standards have been applied on a consistent basis with the preceding year.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

London, Canada
June 4, 2015

St. Marys Memorial Hospital
Incorporated without share capital under the laws of Ontario

STATEMENT OF FINANCIAL POSITION

As at March 31

	2015 $	2014 $
ASSETS		
Current		
Cash	**1,947,130**	2,161,164
Accounts receivable *[note 3]*	**126,083**	138,780
Inventories *[note 5]*	**62,682**	64,853
Prepaid expenses	**39,050**	43,224
Total current assets	**2,174,945**	2,408,021
Property and equipment, net *[note 6]*	**8,444,410**	7,220,821
	10,619,355	9,628,842
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	**30,223**	49,300
Due to other Alliance entity *[note 4]*	**493,224**	449,311
Accrued salaries and wages	**424,173**	542,525
Current portion of post-employment benefits *[note 8[b]]*	**137,093**	97,630
Deferred contributions, expenses of future periods *[note 10]*	**8,317**	8,317
Demand loan *[note 7]*	**1,004,317**	—
Total current liabilities	**2,097,347**	1,147,083
Post-employment benefits *[note 8[b]]*	**934,351**	766,055
Deferred contributions, capital *[note 9]*	**5,236,113**	5,065,491
Total liabilities	**8,267,811**	6,978,629
Contingencies *[note 11]*		
Net assets	**2,351,544**	2,650,213
	10,619,355	9,628,842

See accompanying notes

On behalf of the Board:

Mary Atkinson — Board Chair

Lena Spivack — Treasurer

St. Marys Memorial Hospital

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	2015 $	2014 $
Balance, beginning of year	**2,650,213**	2,972,779
Deficiency of revenue over expenses for the year	**(298,669)**	(322,566)
Balance, end of year	**2,351,544**	2,650,213

See accompanying notes

St. Marys Memorial Hospital

STATEMENT OF OPERATIONS

Year ended March 31

	2015 $	2014 $
REVENUE		
Provincial funding *[note 4]*	**8,787,287**	7,456,407
In-patient services	**20,238**	4,675
Out-patient services	**1,626,969**	1,682,741
Preferred accommodation	**62,950**	47,310
Chronic co-payment	**25,134**	38,381
Other revenue	**280,774**	312,995
Unrestricted benefits and bequests	**1,209**	—
Amortization of deferred contributions, capital - equipment	**147,003**	81,331
	10,951,564	9,623,840
EXPENSES		
Salaries and wages	**5,736,826**	4,767,326
Medical staff remuneration	**1,518,259**	1,596,264
Employee benefits	**1,646,610**	1,383,764
Supplies and other expenses	**1,582,445**	1,487,647
Medical and surgical supplies	**163,547**	148,623
Drugs	**135,788**	135,913
Amortization of equipment	**272,915**	215,235
Interest	**3,830**	—
	11,060,220	9,734,772
Deficiency of revenue over expenses before the following	**(108,656)**	(110,932)
Amortization of deferred contributions, capital - buildings and land improvements	**202,569**	197,653
Amortization of buildings and land improvements	**(383,910)**	(409,558)
Interest on demand loan *[note 7]*	**(4,750)**	—
Net gain (loss) on disposal of property and equipment	**(3,922)**	271
	(190,013)	(211,634)
Deficiency of revenue over expenses for the year	**(298,669)**	(322,566)

See accompanying notes

St. Marys Memorial Hospital

STATEMENT OF CASH FLOWS

Year ended March 31

	2015 $	2014 $
OPERATING ACTIVITIES		
Deficiency of revenue over expenses for the year	**(298,669)**	(322,566)
Add (deduct) non-cash items		
Amortization of equipment	**272,915**	215,235
Amortization of buildings and land improvements	**383,910**	409,558
Net (gain) loss on disposal of property and equipment	**3,922**	(271)
Amortization of deferred contributions, capital - equipment	**(147,003)**	(81,331)
Amortization of deferred contributions, capital - buildings and land improvements	**(202,569)**	(197,653)
Increase in post-employment benefits	**168,296**	27,741
	180,802	50,713
Net change in non-cash working capital balances related to operations *[note 13]*	**(35,011)**	375,677
Cash provided by operating activities	**145,791**	426,390
CAPITAL ACTIVITIES		
Purchase of property and equipment	**(1,887,754)**	(343,976)
Proceeds on disposal of property and equipment	**3,418**	281
Cash used in capital activities	**(1,884,336)**	(343,695)
FINANCING ACTIVITIES		
Proceeds of demand loan	**1,004,317**	—
Contribution received related to capital	**520,194**	199,599
Cash provided by financing activities	**1,524,511**	199,599
Net increase (decrease) in cash during the year	**(214,034)**	282,294
Cash, beginning of year	**2,161,164**	1,878,870
Cash, end of year	**1,947,130**	2,161,164

See accompanying notes

St. Marys Memorial Hospital

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

1. PURPOSE OF THE ORGANIZATION

St. Marys Memorial Hospital [the "Hospital"] is funded primarily by the Southwest Local Health Integration Network ["LHIN"] in accordance with funding policies established by the Ontario Ministry of Health and Long-Term Care [the "MoHLTC"]. Any excess of revenue over expenses earned during a fiscal year may be retained by the Hospital. There is no commitment that deficits incurred by the Hospital will be funded. Therefore, to the extent that deficits are incurred and not funded, future operations may be affected.

The Hospital, along with Clinton Public Hospital, Seaforth Community Hospital and Stratford General Hospital are members of the Huron Perth Healthcare Alliance [the "Alliance"] and the individual Hospitals' financial results are influenced by this membership *[note 4]*.

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If the Hospital does not meet certain performance standards and obligations, the LHIN has the right to adjust some funding streams received by the Hospital. Given that the LHIN is not required to communicate funding adjustments until after the submission of the year-end data, the amount of revenue recognized in these financial statements represents management's best estimates of amounts earned during the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with the Chartered Professional Accountants of Canada Public Sector ["PS"] Handbook, which sets out generally accepted accounting principles for government not-for-profit organizations in Canada. The Hospital has chosen to use the standards specific to government not-for-profit organizations as set out in PS 4200 to PS 4270. The significant accounting policies are summarized as follows:

[a] Basis of presentation and use of estimates

The financial statements represent the operations of the Hospital and do not include the assets, liabilities and activities of affiliated organizations such as the St. Marys Hospital Foundation [the "Foundation"] and volunteer associations, which, although affiliated to the Hospital, are not operated or controlled by it.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The significant estimation processes relate to employee future benefits, revenue recognized from the MOHLTC and the LHIN, valuation of accounts receivable, and the useful life of property and equipment. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. Although some variability is inherent in these estimates, management believes that the amounts recorded are appropriate. Actual results could differ from those estimates.

[b] Revenue recognition

The Hospital follows the deferral method of accounting for contributions which include donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be estimated and collection is reasonably assured. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of property and equipment are deferred and amortized to revenue on the same basis as the amortization rate for the related property and equipment.

Revenue from patient services, non-patient services and preferred accommodation are recognized when the services have been provided or when the goods have been sold.

[c] Inventories

Inventories are valued at the lower of replacement cost and net realizable value on a weighted average basis. Reviews for obsolete, damaged and expired items are done on a regular basis, and any items that are found to be obsolete, damaged or expired are written off when such determination is made.

[d] Property and equipment

Property and equipment are valued at the cost incurred by the Hospital at the date of acquisition. All direct costs and interest related to building and equipment projects are capitalized during the period of construction until the project is complete.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

Amortization is provided on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Tangible	
Land improvements	2 1/2% to 10%
Buildings	2% to 10%
Furnishings and equipment	4% to 33 1/3%
Computer hardware	20% to 33 1/3%
Intangible	
Computer software	20% to 33 1/3%

No amortization is recorded on construction in progress until the related assets are put into productive use.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer has any long-term service potential to the Hospital. When an item of property and equipment no longer contributes to the Hospital's ability to provide services, its carrying amount is written down to residual value.

[e] Contributed materials and services

Contributed materials and services are not recognized in the financial statements.

[f] Post-employment benefits

The Hospital accrues its obligations for post-employment benefits and the related costs, net of plan assets measured at fair value. The cost of post-employment benefits earned by employees is actuarially determined using the projected accrued benefit method pro-rated on service using best estimates of salary escalation, retirement ages of employees and expected health care costs. The discount rate used to determine the accrued benefit obligation was determined by reference to the Hospital's cost of borrowing rate. Differences arising from past service costs are expensed in the period of plan amendment. Differences arising from changes in assumptions and actuarial gains and losses are recognized in income on a straight-line basis over the expected average remaining service life of employees.

[g] Multi-employer defined benefit plan

Defined contribution plan accounting is applied to the multi-employer defined benefit plan, whereby contributions are expensed on an accrual basis, as the Hospital has insufficient information to apply defined benefit plan accounting.

[h] Financial instruments

All financial instruments are initially recorded on the statement of financial position at fair value. They are subsequently valued at fair market value, cost or amortized cost as follows:

[i] Accounts receivable are carried at amortized cost, net of any provision for impairment.
[ii] Accounts payable and accrued liabilities, accrued salaries and wages, and demand loans are carried at cost.

Transaction costs related to financial assets and financial liabilities measured using amortized cost are capitalized with the value of the instrument and amortized to income using the effective interest rate method. All other transaction costs are expensed as incurred.

[i] Remeasurement gains and losses

Remeasurement gains and losses are reported according to their nature, including changes in market value for derivatives, portfolio investments in equity instruments and financial instruments which have been designated to the fair value category. Also included are changes in foreign exchange for items denominated in a foreign currency. As at March 31, 2015, there was no change in the deficiency for the year attributable to fair value changes and foreign currency translation; therefore, the statement of remeasurement gains and losses has not been disclosed.

3. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2015 $	2014 $
Provincial funding	—	6,813
Insurers and patients	**121,921**	94,577
Grants receivable	—	45,682
Other	**24,262**	14,508
	146,183	161,580
Less allowance for doubtful accounts	**20,100**	22,800
	126,083	138,780

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

4. HURON PERTH HEALTHCARE ALLIANCE

The combined operating deficiency of revenue over expenses of the Alliance is shared based on the percent interest of each member Hospital in the Alliance. The MoHLTC and LHIN revenue is adjusted between the four Hospitals within the Alliance through a "Paymaster" account, to reflect the appropriate operating deficiency of revenue over expenses.

	2015 $	2014 $
St Marys Memorial Hospital provincial funding	**7,643,008**	7,569,884
Adjustment for the Hospital's share of the Alliance operating deficiency	**1,144,279**	(113,477)
Provincial funding adjusted revenue	**8,787,287**	7,456,407

Effective December 1, 2014, the Board of Directors approved a change to the percent interest allocation to better reflect the associated revenues and costs of each member hospital due to bed realignment in the year. The percent interest changed from 9.4% to 11%. This impacts the adjustment for the Hospital's share of the Alliance operating deficiency in the above table.

Property and equipment expenditures not funded by the local Foundations and post-employment benefits are shared by all four Hospitals based on their respective percent interest in the Alliance.

The amount owing to Stratford General Hospital as at March 31, 2015 is $493,224 [2014 – $449,311]. This amount is non-interest bearing with no set repayment terms.

5. INVENTORIES

During the year, the Hospital expensed $352,874 [2014 – $309,526] of inventories. There were no write-downs of inventories to net realizable value or any write-down reversals during the year [2014 – nil].

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2015		
	Cost $	Accumulated amortization $	Net book value $
Tangible			
Land	**231,936**	—	**231,936**
Land improvements	**122,566**	**56,545**	**66,021**
Buildings	**13,131,823**	**6,370,782**	**6,761,041**
Furnishings and equipment	**5,177,281**	**4,273,981**	**903,300**
Computer hardware	**382,504**	**254,700**	**127,804**
Construction in progress	**125,400**	—	**125,400**
	19,171,510	**10,956,008**	**8,215,502**
Intangible			
Computer software	**439,617**	**210,709**	**228,908**
	19,611,127	**11,166,717**	**8,444,410**

	2014		
	Cost $	Accumulated amortization $	Net book value $
Tangible			
Land	231,936	—	231,936
Land improvements	122,566	47,947	74,619
Buildings	12,133,239	5,995,470	6,137,769
Furnishings and equipment	5,312,477	4,862,001	450,476
Computer hardware	354,626	214,036	140,590
Construction in progress	54,207	—	54,207
	18,209,051	11,119,454	7,089,597
Intangible			
Computer software	279,170	147,946	131,224
	18,488,221	11,267,400	7,220,821

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

7. DEMAND LOANS AND TERM DEBT

The Hospital has a joint and several obligation for the borrowings of the Alliance under various loan facilities with CIBC and RBC. As at March 31, 2015, the outstanding borrowings amounted to $6,551,928 [2014 – $5,980,053]. Of this debt, the Hospital has a $1,004,317 draw [2014 – nil] from an $8,000,000 revolving demand facility with the RBC to finance the acquisition of capital assets. The Facility bears interest at the Bankers' Acceptance ["BA"] rate plus 0.30%.

8. POST-EMPLOYMENT BENEFITS

[a] Pension plan

Substantially all of the full-time employees of the Hospital are members of the Hospitals of Ontario Pension Plan ["HOOPP"]. HOOPP is a multi-employer, defined benefit pension plan. HOOPP members will receive benefits based on their length of service and on the average of their annualized earnings during the five consecutive years prior to retirement, termination or death that provides the highest earnings. Employer contributions made to HOOPP during the year by the Hospital amounted to $480,831 [2014 – $398,857].

The most recent actuarial valuation for financial reporting purposes completed by HOOPP as at December 31, 2014 disclosed net assets available for benefits of $60,848 million [2013 – $51,626 million] with pension obligations of $46,923 million [2013 – $41,478 million], resulting in a surplus of $13,925 million [2013 – $10,148 million]. The cost of pension benefits is determined by HOOPP at $1.26 per every dollar of employee contributions. As at December 31, 2014, HOOPP was 115% funded [2013 – 114%].

[b] Post-employment benefits

Retirees and surviving spouses of retirees are eligible for life insurance, drug, other medical, dental and hospital benefits covered under the non-pension post-retirement benefit plan [the "Plan"] after they turn 55. The Plan is funded on a pay-as-you-go basis and the Hospital funds on a cash basis as benefits are paid. During the year, benefits paid totalled $13,539 [2014 – $9,143].

The most recent actuarial valuation for funding purposes was completed by the Alliance's independent actuaries as at March 31, 2014.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

The following table presents information related to the Hospital's post-retirement benefits as at March 31, including the amounts recorded on the statement of financial position, and components of net periodic benefit cost:

	2015 $	2014 $
Accrued benefit obligation		
Balance, beginning of year	**1,008,143**	952,944
Plan amendment	**18,969**	—
Current service cost	**61,369**	47,339
Interest cost	**55,748**	38,202
Benefits paid	**(76,340)**	(61,193)
Actuarial (gain) loss	**(191,026)**	30,851
Adjustment: change in percent interest	**174,825**	—
Balance, end of year	**1,051,688**	1,008,143
Unamortized net actuarial gain (loss)	**19,756**	(144,458)
Post-employment benefits	**1,071,444**	863,685
Less: current portion	**137,093**	97,630
	934,351	766,055

The accrued benefit obligation for non-pension post-employment benefits is included in long-term liabilities as post-employment benefits, with the current portion of post-employment benefits separately disclosed. Unamortized actuarial losses (gain) are amortized over the expected average remaining service life of employees.

	2015 $	2014 $
Current service cost	**61,369**	47,339
Interest cost	**55,748**	38,202
Amortization of net actuarial losses	**19,976**	12,089
Current portion of post-employment benefits	**137,093**	97,630

The significant actuarial assumptions adopted in measuring the Hospital's accrued benefit obligation and the expense for post-employment benefits are as follows:

	2015 %	2014 %
Discount rate – net accrued benefit expense	**4.55**	3.94
Discount rate – accrued benefit obligation	**3.43**	4.55
Extended health care premium increases	**5.80**	5.90
Dental premium increases	**4.00**	4.00

The extended health care premiums are expected to decrease by 0.1% per annum to an ultimate rate of 3.9%. The expected average remaining service lifetime of active employees is 11.48 years.

9. DEFERRED CONTRIBUTIONS, CAPITAL

Deferred contributions related to property and equipment are as follows:

	2015 $	2014 $
Balance, beginning of year	**5,065,491**	5,144,876
Additional contributions received	**520,194**	199,599
Less amounts amortized to revenue	**(349,572)**	(278,984)
Balance, end of year	**5,236,113**	5,065,491

The balance of unamortized capital contributions related to property and equipment consists of the following:

	2015 $	2014 $
Unamortized capital contributions used to purchase assets	**5,236,113**	4,995,491
Unspent contributions	—	70,000
	5,236,113	5,065,491

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

10. DEFERRED CONTRIBUTIONS, EXPENSES OF FUTURE PERIODS

Deferred contributions, expenses of future periods, represent unspent externally restricted contributions, grants and donations. There has been no change in the balance for the year ended March 31, 2015.

11. CONTINGENCIES

The Hospital is involved from time to time as plaintiff or defendant in various legal actions that arise in the normal course of operations. Any contingent gains arising on such actions are included in income when they are assured. Provisions for contingent losses are provided at such time as management concludes that a loss is likely and can be estimated. As at March 31, 2015, management believes adequate provision for losses has been made in the accounts.

12. RELATED PARTY TRANSACTIONS

Related party transactions during the year, not separately disclosed in the financial statements, include the following:

[a] The Hospital receives donations from the Foundation. The Foundation has its own Board of Directors and is independent of the Hospital. The Foundation is incorporated under the laws of Ontario. It is registered as a public foundation and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. The assets, liabilities, revenue and expenses of the Foundation have not been included in these financial statements.

Donations of $97,256 [2014 – $103,861] were received from the Foundation for equipment purchases and capital projects. These amounts have been included in deferred contributions, capital.

[b] Alliance operations – Stratford General Hospital is acting as the central financial processing entity for the Alliance, processing all cheque and payroll distributions for all four Hospitals in the Alliance from its bank account. The Hospital reimburses Stratford General Hospital for its expenditures on a monthly basis.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

13. STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2015 $	2014 $
Decrease (increase) in current assets		
Accounts receivable	**12,697**	44,230
Inventories	**2,171**	1,576
Prepaid expenses	**4,174**	(18,492)
	19,042	27,314
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	**(19,077)**	(20,513)
Due to other Alliance entity	**43,913**	296,403
Accrued salaries and wages	**(118,352)**	63,776
Current portion of post-employment benefits	**39,463**	8,697
	(54,053)	348,363
	(35,011)	375,677

14. FINANCIAL INSTRUMENTS

Financial instrument classification

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the reliability of the data used to determine fair value. The fair value hierarchy is made up of the following levels:

Level 1 – valuation based on quoted prices [unadjusted] in active markets for identical assets or liabilities;
Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data [unobservable inputs].

The fair value hierarchy requires the use of observable data from the market each time such data exists. A financial instrument is classified at the lowest level of hierarchy for which significant input has been considered in measuring fair value.

The cash held by the Hospital is classified as Level 1 according to the fair value hierarchy described above. There have been no material transfers between Levels 1 and 2 for the year ended March 31, 2015.

Risk management

The Hospital is exposed to a range of financial risks including interest rate risk, credit risk and liquidity risk. The Hospital manages these risks in accordance with the Hospital's internal policies.

Interest rate risk
Interest rate risk refers to the effect on the future cash flows of a financial instrument due to fluctuations in interest rates. The Hospital' is exposed to financial risk that arises from fluctuations in the interest rate on its credit facilities because the interest rate is linked to the bank's BA rate, which changes from time to time. Changes in variable interest rates could cause unanticipated fluctuations in the Hospital's operating results.

Credit risk
Credit risk arises from the possibility that the entities from which the Hospital receives funding may experience difficulty and be unable to fulfill their obligations. The majority of the Hospital's accounts receivable are owed by government agencies with good credit standing. At year-end, patient and other accounts receivable totalled $121,921 [2014 – $94,577]. As a result, the requirement for credit risk related reserves for accounts receivable is minimal. The Hospital has no significant concentration of credit risk with any one individual customer. There are no significant past due or impaired balances as at March 31, 2015.

Liquidity risk
Liquidity risk is the risk of the Hospital being unable to meet its obligations as they fall due. The Hospital manages its liquidity risk by forecasting cash flows from operations and anticipated investing, capital and financing activities, and maintaining credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

The majority of accounts payable and accrued charges and accrued salaries and wages are expected to be settled in the next fiscal year. The maturities of other financial liabilities are provided in the notes to the financial statements related to those liabilities.

Financial Statements

Seaforth Community Hospital

March 31, 2015

Building a better working world

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Seaforth Community Hospital

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Seaforth Community Hospital**, which comprise the statement of financial position as at March 31, 2015, and the statements of changes in net assets, operations, 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.

Auditors' 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 auditors' 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 auditors consider 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 **Seaforth Community Hospital** as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Corporations Act (Ontario), we report that, in our opinion, Canadian public sector accounting standards have been applied on a consistent basis with the preceding year.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

London, Canada
June 4, 2015

Seaforth Community Hospital
Incorporated without share capital under the laws of Ontario

STATEMENT OF FINANCIAL POSITION

As at March 31

	2015 $	2014 $
ASSETS		
Current		
Cash	**1,300,425**	465,503
Accounts receivable *[note 3]*	**62,946**	154,912
Inventories *[note 5]*	**62,875**	66,737
Prepaid expenses	**45,724**	50,827
Total current assets	**1,471,970**	737,979
Property and equipment, net *[note 6]*	**3,426,143**	2,865,958
	4,898,113	3,603,937
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	**400,219**	408,945
Due to other Alliance entity *[note 4]*	**482,316**	102,405
Accrued salaries and wages	**513,809**	585,812
Current portion of post-employment benefits *[note 8[b]]*	**124,630**	91,395
Deferred contributions, expenses of future periods	**20,439**	—
Demand loan *[note 7]*	**583,167**	—
Total current liabilities	**2,124,580**	1,188,557
Post-employment benefits *[note 8[b]]*	**849,410**	717,155
Deferred contributions, capital *[note 9]*	**1,962,889**	1,540,614
Total liabilities	**4,936,879**	3,446,326
Contingencies *[note 11]*		
Net assets	**(38,766)**	157,611
	4,898,113	3,603,937

See accompanying notes

On behalf of the Board:

Mary Atkinson — Board Chair

Lena Sowack — Treasurer

Seaforth Community Hospital

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	2015 $	2014 $
Balance, beginning of year	**157,611**	347,311
Deficiency of revenue over expenses for the year	**(196,377)**	(189,700)
Balance, end of year	**(38,766)**	157,611

See accompanying notes

Seaforth Community Hospital

STATEMENT OF OPERATIONS

Year ended March 31

	2015 $	2014 $
REVENUE		
Provincial funding *[note 4]*	**8,269,797**	7,284,580
In-patient services	**4,482**	677
Out-patient services	**1,576,690**	1,567,734
Preferred accommodation	**22,160**	22,730
Chronic co-payment	**22,276**	36,617
Other revenue	**125,638**	197,111
Unrestricted donations and bequests	**1,088**	202
Amortization of deferred contributions, capital - equipment	**142,137**	141,891
	10,164,268	9,251,542
EXPENSES		
Salaries and wages	**5,263,370**	4,457,060
Medical staff remuneration	**1,552,342**	1,573,438
Employee benefits	**1,487,325**	1,278,523
Supplies and other expenses	**1,441,321**	1,498,695
Medical and surgical supplies	**120,209**	112,423
Drugs	**148,294**	158,547
Amortization of equipment	**257,289**	267,204
	10,270,150	9,345,890
Deficiency of revenue over expenses before the following	**(105,882)**	(94,348)
Amortization of deferred contributions, capital - buildings and land improvements	**67,970**	64,463
Amortization of buildings and land improvements	**(156,472)**	(150,565)
Interest on demand loan *[note 7]*	**(3,587)**	—
Net gain (loss) on disposal of property and equipment	**1,594**	(9,250)
	(90,495)	(95,352)
Deficiency of revenue over expenses for the year	**(196,377)**	(189,700)

See accompanying notes

Seaforth Community Hospital

STATEMENT OF CASH FLOWS

Year ended March 31

	2015 $	2014 $
OPERATING ACTIVITIES		
Deficiency of revenue over expenses for the year	**(196,377)**	(189,700)
Add (deduct) items not involving cash		
Amortization of equipment	**257,289**	267,204
Amortization of buildings and land improvements	**156,472**	150,565
Net (gain) loss on disposal of property and equipment	**(1,594)**	9,250
Amortization of deferred contributions, capital - equipment	**(142,137)**	(141,891)
Amortization of deferred contributions, capital - buildings and land improvements	**(67,970)**	(64,463)
Increase in post-employment benefits	**132,255**	25,968
	137,938	56,933
Net change in non-cash working capital balances related to operations *[note 13]*	**453,787**	45,012
Cash provided by operating activities	**591,725**	101,945
CAPITAL ACTIVITIES		
Purchase of property and equipment	**(981,003)**	(327,421)
Proceeds on disposal of property and equipment	**8,651**	281
Cash used in capital activities	**(972,352)**	(327,140)
FINANCING ACTIVITIES		
Proceeds of demand loan	**583,167**	—
Contributions received related to capital	**632,382**	126,728
Cash provided by financing activities	**1,215,549**	126,728
Net increase (decrease) in cash during the year	**834,922**	(98,467)
Cash, beginning of year	**465,503**	563,970
Cash, end of year	**1,300,425**	465,503

See accompanying notes

Seaforth Community Hospital

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

1. PURPOSE OF THE ORGANIZATION

Seaforth Community Hospital [the "Hospital"] is funded primarily by the Southwest Local Health Integration Network ["LHIN"] in accordance with funding policies established by the Ontario Ministry of Health and Long-Term Care [the "MoHLTC"]. Any excess of revenue over expenses earned during a fiscal year may be retained by the Hospital. There is no commitment that deficits incurred by the Hospital will be funded. Therefore, to the extent that deficits are incurred and not funded, future operations may be affected.

The Hospital, along with Clinton Public Hospital, St. Marys Memorial Hospital and Stratford General Hospital are members of the Huron Perth Healthcare Alliance [the "Alliance"] and the individual Hospitals' financial results are influenced by this membership *[note 4]*.

The Hospital operates under a Hospital Service Accountability Agreement ["H-SAA"] with the LHIN. This agreement sets out the rights and obligations of the two parties in respect of funding provided to the Hospital by the LHIN. The H-SAA sets out the funding provided to the Hospital together with performance standards and obligations of the Hospital that establish acceptable results for the Hospital's performance.

If the Hospital does not meet certain performance standards and obligations, the LHIN has the right to adjust some funding streams received by the Hospital. Given that the LHIN is not required to communicate funding adjustments until after the submission of the year-end data, the amount of revenue recognized in these financial statements represents management's best estimates of amounts earned during the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with the Chartered Professional Accountants of Canada Public Sector ["PS"] Handbook, which sets out generally accepted accounting principles for government not-for-profit organizations in Canada. The Hospital has chosen to use the standards specific to government not-for-profit organizations as set out in PS 4200 to PS 4270. The significant accounting policies are summarized as follows:

[a] Basis of presentation and use of estimates

The financial statements represent the operations of the Hospital and do not include the assets, liabilities and activities of affiliated organizations such as the Seaforth Community Hospital Foundation [the "Foundation"] and volunteer associations, which, although affiliated to the Hospital, are not operated or controlled by it.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The significant estimation processes relate to employee future benefits, revenue recognized from the MOHLTC and the LHIN, valuation of accounts receivable, and the useful life of property and equipment. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. Although some variability is inherent in these estimates, management believes that the amounts recorded are appropriate. Actual results could differ from those estimates.

[b] Revenue recognition

The Hospital follows the deferral method of accounting for contributions which include donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be estimated and collection is reasonably assured. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of property and equipment are deferred and amortized to revenue on the same basis as the amortization rate for the related property and equipment.

Revenue from patient services, non-patient services and preferred accommodation are recognized when the services have been provided or when the goods have been sold.

[c] Inventories

Inventories are valued at the lower of replacement cost and net realizable value on a weighted average basis. Reviews for obsolete, damaged and expired items are done on a regular basis, and any items that are found to be obsolete, damaged or expired are written off when such determination is made.

[d] Property and equipment

Property and equipment are valued at the cost incurred by the Hospital at the date of acquisition. All direct costs and interest related to building and equipment projects are capitalized during the period of construction until the project is complete.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

Amortization is provided on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Tangible	
Land improvements	2 1/2% to 10%
Buildings	2% to 10%
Furnishings and equipment	4% to 33 1/3%
Computer hardware	20% to 33 1/3%
Intangible	
Computer software	20% to 33 1/3%

No amortization is recorded on construction in progress until the related assets are put into productive use.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer has any long-term service potential to the Hospital. When an item of property and equipment no longer contributes to the Hospital's ability to provide services, its carrying amount is written down to residual value.

[e] Contributed materials and services

Contributed materials and services are not recognized in the financial statements.

[f] Post-employment benefits

The Hospital accrues its obligations for post-employment benefits and the related costs, net of plan assets measured at fair value. The cost of post-employment benefits earned by employees is actuarially determined using the projected accrued benefit method pro-rated on service using best estimates of salary escalation, retirement ages of employees and expected health care costs. The discount rate used to determine the accrued benefit obligation was determined by reference to the Hospital's cost of borrowing rate. Differences arising from past service costs are expensed in the period of plan amendment. Differences arising from changes in assumptions and actuarial gains and losses are recognized in income on a straight-line basis over the expected average remaining service life of employees.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

[g] Multi-employer defined benefit plan

Defined contribution plan accounting is applied to the multi-employer defined benefit plan, whereby contributions are expensed on an accrual basis, as the Hospital has insufficient information to apply defined benefit plan accounting.

[h] Financial instruments

All financial instruments are initially recorded on the statement of financial position at fair value. They are subsequently valued at fair market value, cost or amortized cost as follows:

[i] Accounts receivable are carried at amortized cost, net of any provision for impairment
[ii] Accounts payable and accrued liabilities, accrued salaries and wages, and demand loans are carried at cost.

Transaction costs related to financial assets and financial liabilities measured using amortized cost are capitalized with the value of the instrument and amortized to income using the effective interest rate method. All other transaction costs are expensed as incurred.

[i] Remeasurement gains and losses

Remeasurement gains and losses are reported according to their nature, including changes in market value for derivatives, portfolio investments in equity instruments and financial instruments which have been designated to the fair value category. Also included are changes in foreign exchange for items denominated in a foreign currency. As at March 31, 2015, there was no change in the deficiency for the year attributable to fair value changes and foreign currency translation; therefore, the statement of remeasurement gains and losses has not been disclosed.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

3. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2015 $	2014 $
Provincial funding	—	19,594
Insurers and patients	**76,118**	61,933
Other	**3,028**	89,785
	79,146	171,312
Less allowance for doubtful accounts	**16,200**	16,400
	62,946	154,912

4. HURON PERTH HEALTHCARE ALLIANCE

The combined operating deficiency of revenue over expenses of the Alliance is shared based on the percent interest of each member Hospital in the Alliance. The MoHLTC and LHIN revenue is adjusted between the four Hospitals within the Alliance through a "Paymaster" account, to reflect the appropriate operating deficiency of revenue over expenses.

	2015 $	2014 $
Seaforth Community Hospital provincial funding	**7,064,071**	7,546,896
Adjustment for the Hospital's share of the Alliance operating deficiency	**1,205,726**	(262,316)
Provincial funding adjusted revenue	**8,269,797**	7,284,580

Effective December 1, 2014, the Board of Directors approved a change to the percent interest allocation to better reflect the associated revenues and costs of each member hospital due to bed realignment in the year. The percent interest changed from 8.8% to 10%. This impacts the adjustment for the Hospital's share of the Alliance operating deficiency in the above table.

Property and equipment expenditures not funded by the local Foundations and post-employment benefits are shared by all four Hospitals based on their respective percent interest in the Alliance.

The amount owing to Stratford General Hospital as at March 31, 2015 is $482,316 [2014 – $102,405]. This amount is non-interest bearing with no set repayment terms.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

5. INVENTORIES

During the year, the Hospital expensed $283,578 [2014 – $310,007] of inventories. There were no write-downs of inventories to net realizable value or any write-down reversals during the year [2014 – nil].

6. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2015		
	Cost $	Accumulated amortization $	Net book value $
Tangible			
Land	**16,240**	—	**16,240**
Land improvements	**243,297**	**177,216**	**66,081**
Buildings	**4,918,927**	**2,738,815**	**2,180,112**
Furnishings and equipment	**4,923,018**	**4,233,151**	**689,867**
Computer hardware	**365,300**	**246,187**	**119,113**
Construction in progress	**136,279**	—	**136,279**
	10,603,061	**7,395,369**	**3,207,692**
Intangible			
Computer software	**414,513**	**196,062**	**218,451**
	11,017,574	**7,591,431**	**3,426,143**

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

	2014		
	Cost $	Accumulated amortization $	Net book value $
Tangible			
Land	16,240	—	16,240
Land improvements	243,297	164,952	78,345
Buildings	4,520,537	2,594,607	1,925,930
Furnishings and equipment	4,830,943	4,299,794	531,149
Computer hardware	339,592	208,131	131,461
Construction in progress	61,777	—	61,777
	10,012,386	7,267,484	2,744,902
Intangible			
Computer software	259,163	138,107	121,056
	10,271,549	7,405,591	2,865,958

7. DEMAND LOANS AND TERM DEBT

The Hospital has a joint and several obligation for the borrowings of the Alliance under various loan facilities with CIBC and RBC. As at March 31, 2015, the outstanding borrowings amounted to $6,551,928 [2014 – $5,980,053]. Of this debt, the Hospital has a $583,167 draw [2014 – nil] from an $8,000,000 revolving demand facility with the RBC to finance the acquisition of capital assets. The Facility bears interest at the Bankers' Acceptance ["BA"] rate plus 0.30%.

8. POST-EMPLOYMENT BENEFITS

[a] Pension plan

Substantially all of the full-time employees of the Hospital are members of the Hospitals of Ontario Pension Plan ["HOOPP"]. HOOPP is a multi-employer, defined benefit pension plan. HOOPP members will receive benefits based on their length of service and on the average of their annualized earnings during the five consecutive years prior to retirement, termination or death that provides the highest earnings. Employer contributions made to HOOPP during the year by the Hospital amounted to $413,633 [2014 – $369,412].

The most recent actuarial valuation for financial reporting purposes completed by HOOPP as at December 31, 2014 disclosed net assets available for benefits of $60,848 million [2013 – $51,626 million] with pension obligations of $46,923 million [2013 – $41,478 million], resulting in a surplus of $13,925 million [2013 – $10,148 million]. The cost of pension benefits is

determined by HOOPP at $1.26 per every dollar of employee contributions. As at December 31, 2014, HOOPP was 115% funded [2013 – 114%].

[b] Post-employment benefits

Retirees and surviving spouses of retirees are eligible for life insurance, drug, other medical, dental and hospital benefits covered under the non-pension post-retirement benefit plan [the "Plan"] after they turn 55. The Plan is funded on a pay-as-you-go basis and the Hospital funds on a cash basis as benefits are paid. During the year, benefits paid totalled $27,287 [2014 – $13,213].

The most recent actuarial valuation for funding purposes was completed by the Alliance's independent actuaries as at March 31, 2014.

The following table presents information related to the Hospital's post-retirement benefits as at March 31 including the amounts recorded on the statement of financial position, and components of net periodic benefit cost:

	2015 $	2014 $
Accrued benefit obligation		
Balance, beginning of year	**943,789**	892,118
Plan amendment	**17,758**	—
Current service cost	**55,790**	44,315
Interest cost	**50,680**	35,763
Benefits paid	**(69,400)**	(57,288)
Actuarial (gain) loss	**(173,660)**	28,881
Adjustment: change in percent interest	**131,123**	—
Balance, end of year	**956,080**	943,789
Unamortized net actuarial gain (loss)	**17,960**	(135,239)
Post-employment benefits	**974,040**	808,550
Less: current portion	**124,630**	91,395
	849,410	717,155

The accrued benefit obligation for non-pension post-employment benefits is included in long-term liabilities as post-employment benefits, with the current portion of post-employment benefits separately disclosed. Unamortized actuarial losses (gain) are amortized over the expected average remaining service life of employees.

	2015 $	2014 $
Current service cost	**55,790**	44,315
Interest cost	**50,680**	35,763
Amortization of net actuarial losses	**18,160**	11,317
Current portion of post-employment benefits	**124,630**	91,395

The significant actuarial assumptions adopted in measuring the Hospital's accrued benefit obligation and the expense for post-employment benefits are as follows:

	2015 %	2014 %
Discount rate – net accrued benefit expense	**4.55**	3.94
Discount rate – accrued benefit obligation	**3.43**	4.55
Extended health care premium increases	**5.80**	5.90
Dental premium increases	**4.00**	4.00

The extended health care premiums are expected to decrease by 0.1% per annum to an ultimate rate of 3.9%. The expected average remaining service lifetime of active employees is 11.48 years.

9. DEFERRED CONTRIBUTIONS, CAPITAL

Deferred contributions related to property and equipment are as follows:

	2015 $	2014 $
Balance, beginning of year	**1,540,614**	1,620,240
Additional contributions received	**632,382**	126,728
Less amounts amortized to revenue	**(210,107)**	(206,354)
Balance, end of year	**1,962,889**	1,540,614

There were no unspent contributions included in the balance of unamortized capital contributions related to property and equipment [2014 – nil].

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

10. DEFERRED CONTRIBUTIONS, EXPENSES OF FUTURE PERIODS

Deferred contributions, expenses of future periods, represent unspent externally restricted contributions, grants and donations. As at March 31, 2015, $20,439 in deferred contributions were outstanding [2014 – nil].

11. CONTINGENCIES

The Hospital is involved from time to time as plaintiff or defendant in various legal actions that arise in the normal course of operations. Any contingent gains arising on such actions are included in income when they are assured. Provisions for contingent losses are provided at such time as management concludes that a loss is likely and can be estimated. As at March 31, 2015, management believes adequate provision for losses has been made in the accounts.

12. RELATED PARTY TRANSACTIONS

Related party transactions during the year, not separately disclosed in the financial statements, include the following:

[a] The Hospital receives donations from the Foundation. The Foundation has its own Board of Directors and is independent of the Hospital. The Foundation is incorporated under the laws of Ontario. It is registered as a public foundation and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. The assets, liabilities, revenue and expenses of the Foundation have not been included in these financial statements.

Donations of $88,976 [2014 – $75,867] were received from the Foundation for equipment purchases and capital projects. These amounts have been included in deferred contributions, capital.

[b] Alliance operations – Stratford General Hospital is acting as the central financial processing entity for the Alliance, processing all cheque and payroll distributions for all four Hospitals in the Alliance from its bank account. The Hospital reimburses Stratford General Hospital for its expenditures on a monthly basis.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

13. STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2015 $	2014 $
Decrease (increase) in current assets		
Accounts receivable	**91,966**	1,240,143
Inventories	**3,862**	(11,985)
Prepaid expenses	**5,103**	(13,569)
	100,931	1,214,589
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	**(8,726)**	352,636
Due to other Alliance entity	**379,911**	(1,572,336)
Accrued salaries and wages	**(72,003)**	41,985
Current portion of post-employment benefits	**33,235**	8,138
Deferred contributions, expenses of future periods	**20,439**	0
	352,856	(1,169,577)
	453,787	45,012

14. FINANCIAL INSTRUMENTS

Financial instrument classification

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the reliability of the data used to determine fair value. The fair value hierarchy is made up of the following levels:

Level 1 – valuation based on quoted prices [unadjusted] in active markets for identical assets or liabilities;
Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data [unobservable inputs].

The fair value hierarchy requires the use of observable data from the market each time such data exists. A financial instrument is classified at the lowest level of hierarchy for which significant input has been considered in measuring fair value.

The cash held by the Hospital is classified as Level 1 according to the fair value hierarchy described above. There have been no material transfers between Levels 1 and 2 for the year ended March 31, 2015.

Risk management

The Hospital is exposed to a range of financial risks including interest rate risk, credit risk and liquidity risk. The Hospital manages these risks in accordance with the Hospital's internal policies.

Interest rate risk
Interest rate risk refers to the effect on the future cash flows of a financial instrument due to fluctuations in interest rates. The Hospital' is exposed to financial risk that arises from fluctuations in the interest rate on its credit facilities because the interest rate is linked to the bank's BA rate, which changes from time to time. Changes in variable interest rates could cause unanticipated fluctuations in the Hospital's operating results.

Credit risk
Credit risk arises from the possibility that the entities from which the Hospital receives funding may experience difficulty and be unable to fulfill their obligations. The majority of the Hospital's accounts receivable are owed by government agencies with good credit standing. At year-end, patient and other accounts receivable totalled $76,118 [2014 – $61,933]. As a result, the requirement for credit risk related reserves for accounts receivable is minimal. The Hospital has no significant concentration of credit risk with any one individual customer. There are no significant past due or impaired balances as at March 31, 2015.

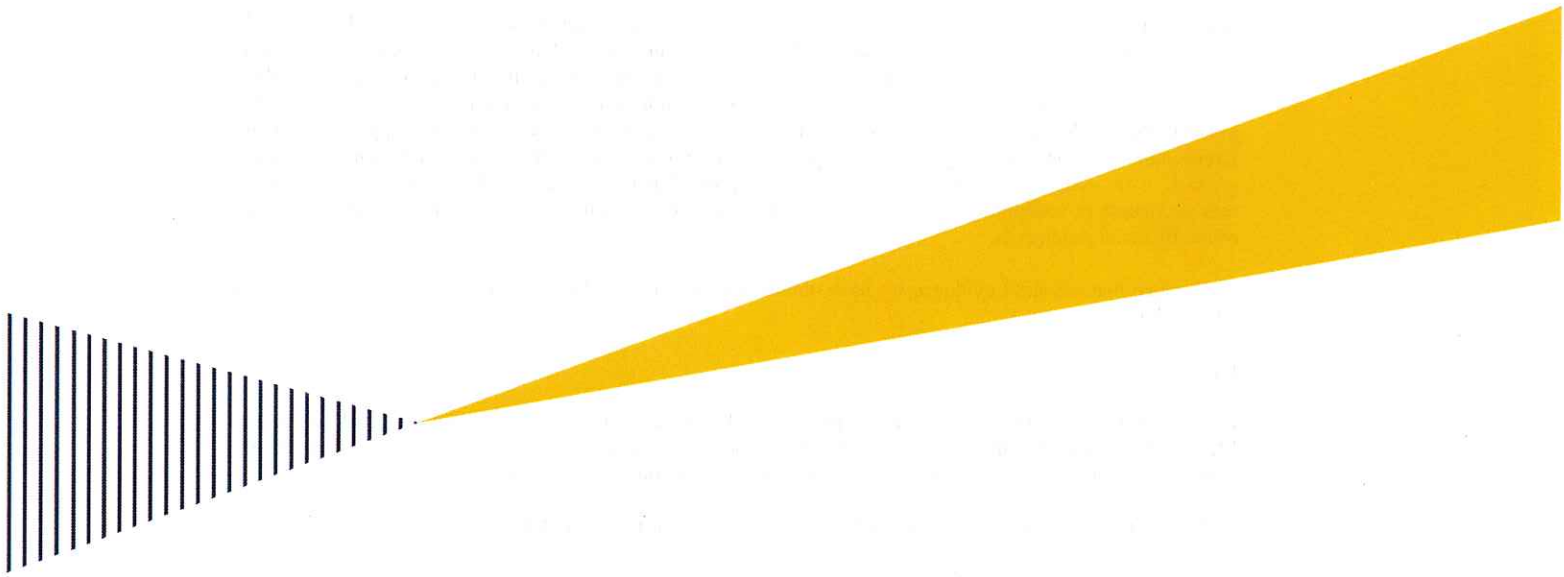
Liquidity risk
Liquidity risk is the risk of the Hospital being unable to meet its obligations as they fall due. The Hospital manages its liquidity risk by forecasting cash flows from operations and anticipated investing, capital and financing activities, and maintaining credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

The majority of accounts payable and accrued charges and accrued salaries and wages are expected to be settled in the next fiscal year. The maturities of other financial liabilities are provided in the notes to the financial statements related to those liabilities.

Financial Statements

Stratford General Hospital

March 31, 2015



Building a better working world

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Stratford General Hospital

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **Stratford General Hospital**, which comprise the statement of financial position as at March 31, 2015, and the statements of changes in net assets, operations, 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.

Auditors' 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 auditors' 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 auditors consider 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 **Stratford General Hospital** as at March 31, 2015, and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Corporations Act (Ontario), we report that, in our opinion, Canadian public sector accounting standards have been applied on a consistent basis with the preceding year.

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants

London, Canada
June 4, 2015

Stratford General Hospital
Incorporated without share capital under the laws of Ontario

STATEMENT OF FINANCIAL POSITION

As at March 31

	2015 $	2014 $
ASSETS		
Current		
Cash	**284,655**	2,705,517
Accounts receivable *[note 3]*	**3,134,939**	3,524,512
Due from other Alliance entities *[note 4]*	**1,265,416**	2,192,095
Inventories *[note 5]*	**1,644,107**	1,683,964
Prepaid expenses	**843,381**	694,953
Total current assets	**7,172,498**	10,801,041
Long-term investments *[note 6]*	**284,267**	284,267
Grant receivable	**2,050,000**	2,050,000
Property and equipment, net *[note 7]*	**75,484,199**	79,633,639
	84,990,964	92,768,947
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities *[note 16]*	**10,641,380**	11,475,190
Accrued salaries and wages	**5,120,770**	5,246,963
Current portion of post-employment benefits *[note 9[b]]*	**810,095**	730,135
Deferred contributions, expenses of future periods *[note 11]*	**118,114**	33,561
Demand loans and current portion of term debt *[note 8]*	**2,228,859**	3,280,034
Total current liabilities	**18,919,218**	20,765,883
Term debt *[note 8]*	**2,152,418**	2,700,019
Post-employment benefits *[note 9[b]]*	**5,521,165**	5,729,100
Deferred contributions, capital *[note 10]*	**58,399,649**	62,029,202
Total liabilities	**84,992,450**	91,224,204
Contingencies *[note 13]*		
Net assets		
Endowments *[note 12]*	**119,719**	119,719
Unrestricted	**(121,205)**	1,425,024
Total net assets	**(1,486)**	1,544,743
	84,990,964	92,768,947

See accompanying notes

On behalf of the Board:

Mary Atkinson — Board Chair

Lena Spivack — Treasurer

Stratford General Hospital

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	2015			2014
	Endowments	Unrestricted	Total	Total
	$	$	$	$
	[note 12]			
Balance, beginning of year	**119,719**	**1,425,024**	**1,544,743**	3,157,569
Deficiency of revenue over expenses for the year	—	**(1,546,229)**	**(1,546,229)**	(1,612,826)
Balance, end of year	**119,719**	**(121,205)**	**(1,486)**	1,544,743

See accompanying notes

Stratford General Hospital

STATEMENT OF OPERATIONS

Year ended March 31

	2015 $	2014 $
REVENUE		
Provincial funding *[note 4]*	**77,855,453**	81,553,833
In-patient services	**595,567**	282,954
Out-patient services	**7,506,627**	7,339,522
Preferred accommodation	**680,312**	796,264
Chronic co-payment	**50,062**	71,077
Other revenue *[note 6]*	**8,002,251**	7,501,627
Unrestricted donations and bequests	**37,670**	65,781
Amortization of deferred contributions, capital - equipment	**2,190,689**	2,032,046
	96,918,631	99,643,104
EXPENSES		
Salaries and wages	**47,220,326**	48,048,195
Medical staff remuneration	**11,198,152**	10,813,864
Employee benefits	**13,694,595**	13,376,170
Supplies and other expenses	**15,360,933**	15,471,324
Medical and surgical supplies	**4,294,307**	4,516,036
Drugs	**2,887,620**	2,721,445
Amortization of equipment	**3,003,454**	2,991,395
Interest - non-buildings *[note 8]*	**22,563**	35,129
	97,681,950	97,973,558
Excess (deficiency) of revenue over expenses before PCOP adjustment	**(763,319)**	1,669,546
PCOP adjustment *[note 19]*	**—**	(2,493,897)
Deficiency of revenue over expenses before the following	**(763,319)**	(824,351)
Amortization of deferred contributions, capital - buildings and land improvements	**3,261,289**	3,194,552
Amortization of buildings and land improvements	**(3,928,152)**	(3,869,662)
Interest expense *[note 8]*	**(101,347)**	(110,116)
Net loss on disposal of property and equipment	**(14,700)**	(3,249)
	(782,910)	(788,475)
Deficiency of revenue over expenses for the year	**(1,546,229)**	(1,612,826)

See accompanying notes

Stratford General Hospital

STATEMENT OF CASH FLOWS

Year ended March 31

	2015 $	2014 $
OPERATING ACTIVITIES		
Deficiency of revenue over expenses for the year	**(1,546,229)**	(1,612,826)
Add (deduct) non-cash items		
Amortization of equipment	**3,003,454**	2,991,395
Amortization of buildings and land improvements	**3,928,152**	3,869,662
Net loss on disposal of property and equipment	**14,700**	3,249
Amortization of deferred contributions, capital - equipment	**(2,190,689)**	(2,032,046)
Amortization of deferred contributions, capital - buildings and land improvements	**(3,261,289)**	(3,194,552)
Increase in post-employment benefits	**(207,935)**	207,457
	(259,836)	232,339
Net change in non-cash working capital balances related to operations *[note 15]*	**412,191**	3,084,635
Cash provided by operating activities	**152,355**	3,316,974
CAPITAL ACTIVITIES		
Purchase of property and equipment	**(2,823,429)**	(3,213,217)
Proceeds on disposal of property and equipment	**26,563**	—
Cash used in capital activities	**(2,796,866)**	(3,213,217)
FINANCING ACTIVITIES		
Repayment of demand loans	**(1,141,740)**	(398,377)
Proceeds (repayment) of term debt	**(457,036)**	158,590
Contributions received related to capital	**1,822,425**	2,229,730
Cash provided by financing activities	**223,649**	1,989,943
Net increase (decrease) in cash during the year	**(2,420,862)**	2,093,700
Cash, beginning of year	**2,705,517**	611,817
Cash, end of year	**284,655**	2,705,517

See accompanying notes

Stratford General Hospital

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

1. PURPOSE OF THE ORGANIZATION

Stratford General Hospital [the "Hospital"] is funded primarily by the Southwest Local Health Integration Network ["LHIN"] in accordance with funding policies established by the Ontario Ministry of Health and Long-Term Care [the "MoHLTC"]. Any excess of revenue over expenses earned during a fiscal year may be retained by the Hospital. There is no commitment that deficits incurred by the Hospital will be funded. Therefore, to the extent that deficits are incurred and not funded, future operations may be affected.

The Hospital, along with Clinton Public Hospital, St. Marys Memorial Hospital and Seaforth Community Hospital are members of the Huron Perth Healthcare Alliance [the "Alliance"] and the individual Hospitals' financial results are influenced by this membership *[note 4]*.

The Hospital operates under Hospital Service Accountability Agreement ["H-SAA"] and a Multi-Sector Service Accountability Agreement ["M-SAA"] with the LHIN. This agreement sets out the rights and obligations of the two parties in respect of funding provided to the Hospital by the LHIN. The H-SAA and M-SAA sets out the funding provided to the Hospital together with performance standards and obligations of the Hospital that establish acceptable results for the Hospital's performance.

If the Hospital does not meet certain performance standards and obligations, the LHIN has the right to adjust some funding streams received by the Hospital. Given that the LHIN is not required to communicate funding adjustments until after the submission of the year-end data, the amount of revenue recognized in these financial statements represents management's best estimates of amounts earned during the year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with the Chartered Professional Accountants of Canada Public Sector ["PS"] Handbook, which sets out generally accepted accounting principles for government not-for-profit organizations in Canada. The Hospital has chosen to use the standards specific to government not-for-profit organizations as set out in PS 4200 to PS 4270. The significant accounting policies are summarized as follows:

[a] Basis of presentation and use of estimates

The financial statements represent the operations of the Hospital and do not include the assets, liabilities and activities of affiliated organizations such as the Stratford General Hospital Foundation [the "Foundation"] and volunteer associations, which, although affiliated to the Hospital, are not operated or controlled by it.

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. The significant estimation processes relate to employee future benefits, revenue recognized from the MoHLTC and the LHIN, valuation of accounts receivable and grant receivable, and the useful life of property and equipment. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future periods affected. Although some variability is inherent in these estimates, management believes that the amounts recorded are appropriate. Actual results could differ from those estimates.

[b] Revenue recognition

The Hospital follows the deferral method of accounting for contributions which include donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be estimated and collection is reasonably assured. Externally restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized. Endowment contributions are recognized as direct increases in net assets. Contributions restricted for the purchase of property and equipment are deferred and amortized to revenue on the same basis as the amortization rate for the related property and equipment.

Revenue from patient services, non-patient services and preferred accommodation are recognized when the services have been provided or when the goods have been sold.

Investment income consists of interest earned on the Hospital's investments. Investment income on unspent deferred capital contributions, if restricted for future use, is deferred as a component of such contributions. Interest income earned on endowment funds is added to deferred contributions, capital during the year. All other investment income is recognized as revenue when earned in the statement of operations.

[c] Inventories

Inventories are valued at the lower of replacement cost and net realizable value on a weighted average basis. Reviews for obsolete, damaged and expired items are done on a regular basis, and any items that are found to be obsolete, damaged or expired are written off when such determination is made.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

[d] Investments

Investments are recorded initially at fair value and subsequently at amortized cost and where there is a reduction in value that is considered other than temporary, the investment is written down. Investments in joint ventures are accounted for using the modified equity method. Transactions are recorded on a trade-date basis.

[e] Property and equipment

Property and equipment are valued at the cost incurred by the Hospital at the date of acquisition. All direct costs and interest related to building and equipment projects are capitalized during the period of construction until the project is complete.

Amortization is provided on a straight-line basis over the estimated useful lives of the assets at the following annual rates:

Tangible	
Land improvements	2 $^{1}/_{2}$% to 10%
Buildings	2% to 10%
Furnishings and equipment	4% to 33 $^{1}/_{3}$%
Computer hardware	20% to 33 $^{1}/_{3}$%
Intangible	
Computer software	20% to 33 $^{1}/_{3}$%

No amortization is recorded on construction in progress until the related assets are put into productive use.

Property and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer has any long-term service potential to the Hospital. When an item of property and equipment no longer contributes to the Hospital's ability to provide services, its carrying amount is written down to residual value.

[f] Contributed materials and services

Contributed materials and services are not recognized in the financial statements.

[g] Post-employment benefits

The Hospital accrues its obligations for post-employment benefits and the related costs, net of plan assets measured at fair value. The cost of post-employment benefits earned by employees is actuarially determined using the projected accrued benefit method pro-rated on service using best estimates of salary escalation, retirement ages of employees and expected health care costs. The discount rate used to determine the accrued benefit obligation was determined by reference to the Hospital's cost of borrowing rate. Differences arising from past service costs are expensed in the period of plan amendment. Differences arising from changes in assumptions and actuarial gains and losses are recognized in income on a straight-line basis over the expected average remaining service life of employees.

[h] Multi-employer defined benefit plan

Defined contribution plan accounting is applied to the multi-employer defined benefit plan, whereby contributions are expensed on an accrual basis, as the Hospital has insufficient information to apply defined benefit plan accounting.

[i] Financial instruments

All financial instruments are initially recorded on the statement of financial position at fair value. They are subsequently valued at fair market value, cost or amortized cost as follows:

[i] Accounts receivable are carried at amortized cost, net of any provision for impairment.
[ii] Long-term investments and grants receivable are carried at amortized cost.
[iii] Accounts payable and accrued liabilities, accrued salaries and wages, and demand loans are carried at cost.
[iv] Term debt is carried at amortized cost.

Transaction costs related to financial assets and financial liabilities measured using amortized cost are capitalized with the value of the instrument and amortized to income using the effective interest rate method. All other transaction costs are expensed as incurred.

[j] Remeasurement gains and losses

Remeasurement gains and losses are reported according to their nature, including changes in market value for derivatives, portfolio investments in equity instruments and financial instruments which have been designated to the fair value category. Also included are changes in foreign exchange for items denominated in a foreign currency. As at March 31, 2015, there was no

change in the deficiency for the year attributable to fair value changes and foreign currency translation; therefore, the statement of remeasurement gains and losses has not been disclosed.

3. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2015 $	2014 $
Provincial funding	**396,044**	495,374
Insurers and patients	**1,096,104**	1,210,148
Grants receivable, current	**—**	594,584
Other	**1,828,191**	1,409,006
	3,320,339	3,709,112
Less allowance for doubtful accounts	**185,400**	184,600
	3,134,939	3,524,512

4. HURON PERTH HEALTHCARE ALLIANCE

The combined operating deficiency of revenue over expenses of the Alliance is shared based on the percent interest of each member Hospital in the Alliance. The MoHLTC and LHIN revenue is adjusted between the four Hospitals within the Alliance through a "Paymaster" account, to reflect the appropriate operating deficiency of revenue over expenses.

	2015 $	2014 $
Stratford General Hospital provincial funding	**80,627,177**	79,962,286
Adjustment for the Hospital's share of the Alliance operating deficiency	**(2,652,924)**	1,591,547
Transfer of cataract funding to Clinton Public Hospital	**(118,800)**	—
Provincial funding adjusted revenue	**77,855,453**	81,553,833

Effective December 1, 2014, the Board of Directors approved a change to the percent interest allocation to better reflect the associated revenues and costs of each member hospital due to bed realignment in the year. The percent interest changed from 70.3% to 65%. This impacts the adjustment for the Hospital's share of the Alliance operating deficiency in the above table.

Property and equipment expenditures not funded by the local Foundations and post-employment benefits are shared by all four Hospitals based on their respective percent interest in the Alliance. Amounts due from other Alliance Hospitals per the Alliance agreement are non-interest bearing with no set repayment terms and are as follows:

	2015 $	2014 $
Clinton Public Hospital	**289,876**	1,640,379
Seaforth Community Hospital	**482,316**	102,405
St. Marys Memorial Hospital	**493,224**	449,311
	1,265,416	2,192,095

5. INVENTORIES

During the year, the Hospital expensed $7,370,103 [2014 – $6,629,109] of inventories. There were no write-downs of inventories to net realizable value or any write-down reversals during the year [2014 – nil].

6. LONG-TERM INVESTMENTS

Long-term investments consist of the following:

	2015 $	2014 $
Guaranteed Investment Certificate	**119,719**	119,719
Horizon ProResp Inc.	**164,548**	164,548
	284,267	284,267

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

Horizon ProResp Inc.

Effective January 1, 1996, Horizon ProResp Inc. was incorporated as a joint venture between the Hospital and a third party for the purposes of providing home care services to patients in Huron and Perth counties. The Hospital received 50 common shares, representing 50% of the voting equity of the joint venture, in exchange for equipment, inventories and supplies relating to the home oxygen program that were transferred to the joint venture. The investment is being accounted for according to the modified equity method and, as such, the investment in Horizon ProResp Inc. is stated at cost plus earnings since acquisition.

	2015	**2014**
	$	$
Common share investment – 50% of common share capital	**55,657**	55,657
Share of income since incorporation	**108,891**	108,891
	164,548	164,548

Management fees of $326,000 [2014 – $321,000] from Horizon ProResp Inc. have been recorded as other revenue.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

7. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2015		
	Cost $	Accumulated amortization $	Net book value $
Tangible			
Land	**12,419**	—	**12,419**
Other non-amortized assets	**147,010**	—	**147,010**
Land improvements	**1,318,121**	**958,102**	**360,019**
Buildings	**106,464,674**	**39,596,205**	**66,868,469**
Furnishings and equipment	**35,650,093**	**30,124,335**	**5,525,758**
Computer hardware	**2,855,025**	**1,940,227**	**914,798**
Construction in progress	**707,253**	—	**707,253**
	147,154,595	**72,618,869**	**74,535,726**
Intangible			
Computer software	**4,013,143**	**3,064,670**	**948,473**
	151,167,738	**75,683,539**	**75,484,199**

	2014		
	Cost $	Accumulated amortization $	Net book value $
Tangible			
Land	12,419	—	12,419
Other non-amortized assets	147,010	—	147,010
Land improvements	1,318,121	910,191	407,930
Buildings	105,217,684	35,715,965	69,501,719
Furnishings and equipment	37,486,337	30,317,441	7,168,896
Computer hardware	2,669,247	1,609,921	1,059,326
Construction in progress	431,229	—	431,229
	147,282,047	68,553,518	78,728,529
Intangible			
Computer software	3,553,480	2,648,370	905,110
	150,835,527	71,201,888	79,633,639

8. DEMAND LOANS AND TERM DEBT

The Hospital has a joint and several obligation for the borrowings of the Alliance under various loan facilities with CIBC and RBC. As at March 31, 2015, the outstanding borrowings amounted to $6,551,928 [2014 – $5,980,053].

The various facilities that relate to the Hospital are presented as follows on the combined statement of financial position:

	2015 $	2014 $
Demand loans [a]	**1,299,000**	2,059,000
Current portion of term loans [b]	**929,859**	1,221,034
Total demand loans and current portion of term loans	**2,228,859**	3,280,034
Term loans [b]	**2,152,418**	2,700,019

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

[a] Demand loans

The Alliance has an $8,000,000 revolving demand facility with the RBC to finance the acquisition of capital assets [the "Capital Facility"]. The Capital Facility bears interest at the Bankers' Acceptance ["BA"] rate plus 0.30%. As at March 31, 2015, the Hospital has a $1,299,000 [2014 – $2,059,000] draw outstanding on the Facility.

[b] Term loans

The Hospital has a term facility with RBC that was used to finance the completion of the Stratford Site Redevelopment Project [the "SSRP Facility"]. The SSRP Facility bears interest at bank prime (2.85%) minus 0.65%. As at March 31, 2015, $2,810,953 is outstanding on the SSRP Facility [2014 – $2,810,953]. Interest payments are made monthly on the 26th day of each month and annual principal payments are due March 31 of the respective year. The maturity date of this facility is March 31, 2019.

The Alliance also has term instalment loan with the Canadian Imperial Bank of Commerce ["CIBC"] that was used to finance the Magnetic Resonance Imaging machine at the Stratford site, and the Automated Drug Cabinets at all four Alliance sites [the "MRI Facility"]. The MRI Facility bears interest at bank prime minus 0.55%. As at March 31, 2015, $271,325 [2014 – $1,110,100] is outstanding attributable to the Hospital. The MRI Facility has a maturity date of March 31, 2017 with interest due quarterly in arrears.

Loans that the lender can require to be repaid on demand are classified as current liabilities. Management does not believe that the demand features will be exercised in the current year. Assuming payment is not demanded; principal repayments required on term loans over the next four fiscal years are as follows:

	$
2016	929,859
2017	658,534
2018	658,534
2019	835,351
	3,082,278

9. POST-EMPLOYMENT BENEFITS

[a] Pension plan

Substantially all of the full-time employees of the Hospital are members of the Hospitals of Ontario Pension Plan ["HOOPP"]. HOOPP is a multi-employer, defined benefit pension plan. HOOPP members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death that provides the highest earnings. Employer contributions made to HOOPP during the year by the Hospital amounted to $3,779,181 [2014 – $3,832,209].

The most recent actuarial valuation for financial reporting purposes completed by HOOPP as at December 31, 2014 disclosed net assets available for benefits of $60,848 million [2013 – $51,626 million] with pension obligations of $46,923 million [2013 – $41,478 million], resulting in a surplus of $13,925 million [2013 – $10,148 million]. The cost of pension benefits is determined by HOOPP at $1.26 per every dollar of employee contributions. As at December 31, 2014, HOOPP was 115% funded [2013 – 114%].

[b] Post-employment benefits

Retirees and surviving spouses of retirees are eligible for life insurance, drug, other medical, dental and hospital benefits covered under the non-pension post-retirement benefit plan [the "Plan"] after they turn 55. The Plan is funded on a pay-as-you-go basis and the Hospital funds on a cash basis as benefits are paid. During the year, benefits paid totalled $161,921 [2014 – $82,256].

The most recent actuarial valuation for funding purposes was completed by the Alliance's independent actuaries as at March 31, 2014.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

The following table presents information related to the Hospital's post-retirement benefits as at March 31, including the amounts recorded on the statement of financial position, and components of net periodic benefit cost:

	2015 $	2014 $
Accrued benefit obligation		
Balance, beginning of year	**7,539,605**	7,126,803
Plan amendment	**141,865**	—
Current service cost	**362,635**	354,031
Interest cost	**329,420**	285,699
Benefits paid	**(451,100)**	(457,653)
Actuarial loss	**(1,128,790)**	230,725
Adjustment: change in percent interest	**(579,115)**	—
Balance, end of year	**6,214,520**	7,539,605
Unamortized net actuarial gain (loss)	**116,740**	(1,080,370)
Post-employment benefits	**6,331,260**	6,459,235
Less: current portion	**810,095**	730,135
	5,521,165	5,729,100

The accrued benefit obligation, for non-pension post-employment benefits is included in long-term liabilities as post-employment benefits, with the current portion of post-employment benefits separately disclosed. Unamortized actuarial losses (gain) are amortized over the expected average remaining service life of employees.

	2015 $	2014 $
Current service cost	**362,635**	354,031
Interest cost	**329,420**	285,699
Amortization of net actuarial losses	**118,040**	90,405
Current portion of post-employment benefits	**810,095**	730,135

The significant actuarial assumptions adopted in measuring the Hospital's accrued benefit obligation and the expense for post-employment benefits are as follows:

	2015 %	2014 %
Discount rate – net accrued benefit expense	**4.55**	3.94
Discount rate – accrued benefit obligation	**3.43**	4.55
Extended health care premium increases	**5.80**	5.90
Dental premium increases	**4.00**	4.00

The extended health care premiums are expected to decrease by 0.1% per annum to an ultimate rate of 3.9%. The expected average remaining service lifetime of active employees is 11.48 years.

10. DEFERRED CONTRIBUTIONS, CAPITAL

Deferred contributions related to property and equipment are as follows:

	2015 $	2014 $
Balance, beginning of year	**62,029,202**	65,026,070
Additional contributions received	**1,822,425**	2,229,730
Less amounts amortized to revenue	**(5,451,978)**	(5,226,598)
Balance, end of year	**58,399,649**	62,029,202

The balance of unamortized capital contributions related to property and equipment consists of the following:

	2015 $	2014 $
Unamortized capital contributions used to purchase assets	**58,279,587**	61,766,144
Unspent contributions	**120,062**	263,058
	58,399,649	62,029,202

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

11. DEFERRED CONTRIBUTIONS, EXPENSES OF FUTURE PERIODS

Deferred contributions, expenses of future periods, represent unspent externally restricted contributions, grants and donations. Changes in the deferred contributions, expenses of future periods balance, are as follows:

	2015 $	2014 $
Balance, beginning of year	**33,561**	108,635
Contributions, grants and donations	**175,111**	100,000
Items reclassified to accrued liabilities subject to clawback	**—**	(14,320)
Amounts earned	**(90,558)**	(160,754)
Balance, end of year	**118,114**	33,561

The deferred contributions will be spent as follows:

	2015 $	2014 $
Mental health programs	**118,114**	32,922
Other	**—**	639
	118,114	33,561

12. ENDOWMENTS

All of the net assets restricted for endowment purposes are subject to externally imposed restrictions stipulating that the principal be maintained intact in perpetuity. Investment income on the assets restricted for endowment purposes is externally restricted for capital purposes. The total investment income earned on endowments during the year was $2,922 [2014 – $2,913] and was included in deferred contributions, capital during the year.

13. CONTINGENCIES

The Hospital is involved from time to time as plaintiff or defendant in various legal actions which arise in the normal course of operations. Any contingent gains arising on such actions are included in income when they are assured. Provisions for contingent losses are provided at such time as management concludes that loss is likely and can be estimated. As at March 31, 2015, management believes adequate provision for losses has been made in the accounts.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

14. RELATED PARTY TRANSACTIONS

Related party transactions during the year, not separately disclosed in the financial statements, include the following:

[a] The Hospital receives donations from the Foundation. The Foundation has its own Board of Directors and is independent of the Hospital. The Foundation is incorporated under the laws of Ontario. It is registered as a public foundation and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. The assets, liabilities, revenue and expenses of the Foundation have not been included in these financial statements.

Donations of $1,290,265 [2014 – $1,487,077] were received from the Foundation for equipment purchases and capital projects. These amounts have been included in deferred contributions, capital.

During the year, the Hospital provided administrative services including payroll processing at no cost to the Foundation.

As at March 31, 2015, an amount of $35,731 [2014 – $28,388] was due from the Foundation. The amount is non-interest-bearing and due on demand.

[b] Alliance operations – Stratford General Hospital is acting as the central financial processing entity for the Alliance, processing all cheque and payroll distributions for all four Hospitals in the Alliance from its bank account. The Hospital is reimbursed for the expenditures relating to the other three Hospitals on a monthly basis *[note 4]*.

NOTES TO FINANCIAL STATEMENTS

March 31, 2015

15. STATEMENT OF CASH FLOWS

The net change in non-cash working capital balances related to operations consists of the following:

	2015 $	2014 $
Decrease (increase) in current assets		
Accounts receivable	**389,573**	298,029
Due from other Alliance entities	**926,679**	316,076
Inventories	**39,857**	49,339
Prepaid expenses	**(148,428)**	(263,237)
	1,207,681	400,207
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	**(833,810)**	2,219,180
Accrued salaries and wages	**(126,193)**	475,295
Post-employment benefits	**79,960**	65,027
Deferred contributions, expenses of future periods	**84,553**	(75,074)
	(795,490)	2,684,428
	412,191	3,084,635

16. MIDWIFERY PROGRAM

The Hospital acts as a transfer payment agency for a midwifery program funded through the MoHLTC Community Health and Prevention Branch – Ontario Midwifery Program ["OMP"]. The gross revenue and expenses of the Midwifery Program of $3,883,121 [2014 – $3,433,142] are included in the statement of operations. The excess of OMP funding over OMP allowed expenses for 2015 is $287,545 [2014 – $200,144], which is due to the MoHLTC OMP and is included in accounts payable and accrued liabilities as at March 31, 2015.

17. DIABETES PROGRAM

Funding for the Diabetes Education Program was transferred from the MoHLTC to the LHIN in the previous fiscal year. This funding of $986,107 is now part of the Hospital's H-SAA. This funding is to be used specifically for this program and the funding cannot be used for any other purpose without prior written approval from the LHIN. In 2015, the entire funding of $986,107 was used specifically for the Diabetes Education Program and all reporting requirements were met.

18. FINANCIAL INSTRUMENTS

Financial instrument classification

Financial instruments measured at fair value are classified according to a fair value hierarchy that reflects the reliability of the data used to determine fair value. The fair value hierarchy is made up of the following levels:

Level 1 – valuation based on quoted prices [unadjusted] in active markets for identical assets or liabilities;
Level 2 – valuation techniques based on inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly; and
Level 3 – valuation techniques using inputs for the asset or liability that are not based on observable market data [unobservable inputs].

The fair value hierarchy requires the use of observable data from the market each time such data exists. A financial instrument is classified at the lowest level of hierarchy for which significant input has been considered in measuring fair value.

The cash and guaranteed investment certificate held by the Hospital is classified as Level 1 according to the fair value hierarchy described above. There have been no material transfers between Levels 1 and 2 for the year ended March 31, 2015.

Risk management

The Hospital is exposed to a range of financial risks including market risk, interest rate risk, credit risk and liquidity risk. The Hospital manages these risks in accordance with the Hospital's internal policies.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market conditions, whether those changes are caused by factors specific to the individual instrument or factors affecting all securities traded in the market. The Hospital's exposure to market risk is limited as a result of the investment portfolio comprising only long-term, fixed income securities.

Interest rate risk
Interest rate risk refers to the effect on the fair value or future cash flows of a financial instrument due to fluctuations in interest rates. The Hospital is exposed to financial risk that arises from fluctuations in the interest rate on its credit facilities because the interest rate is linked to the

bank's prime rate and BA rate, which changes from time to time. Changes in variable interest rates could cause unanticipated fluctuations in the Hospital's operating results.

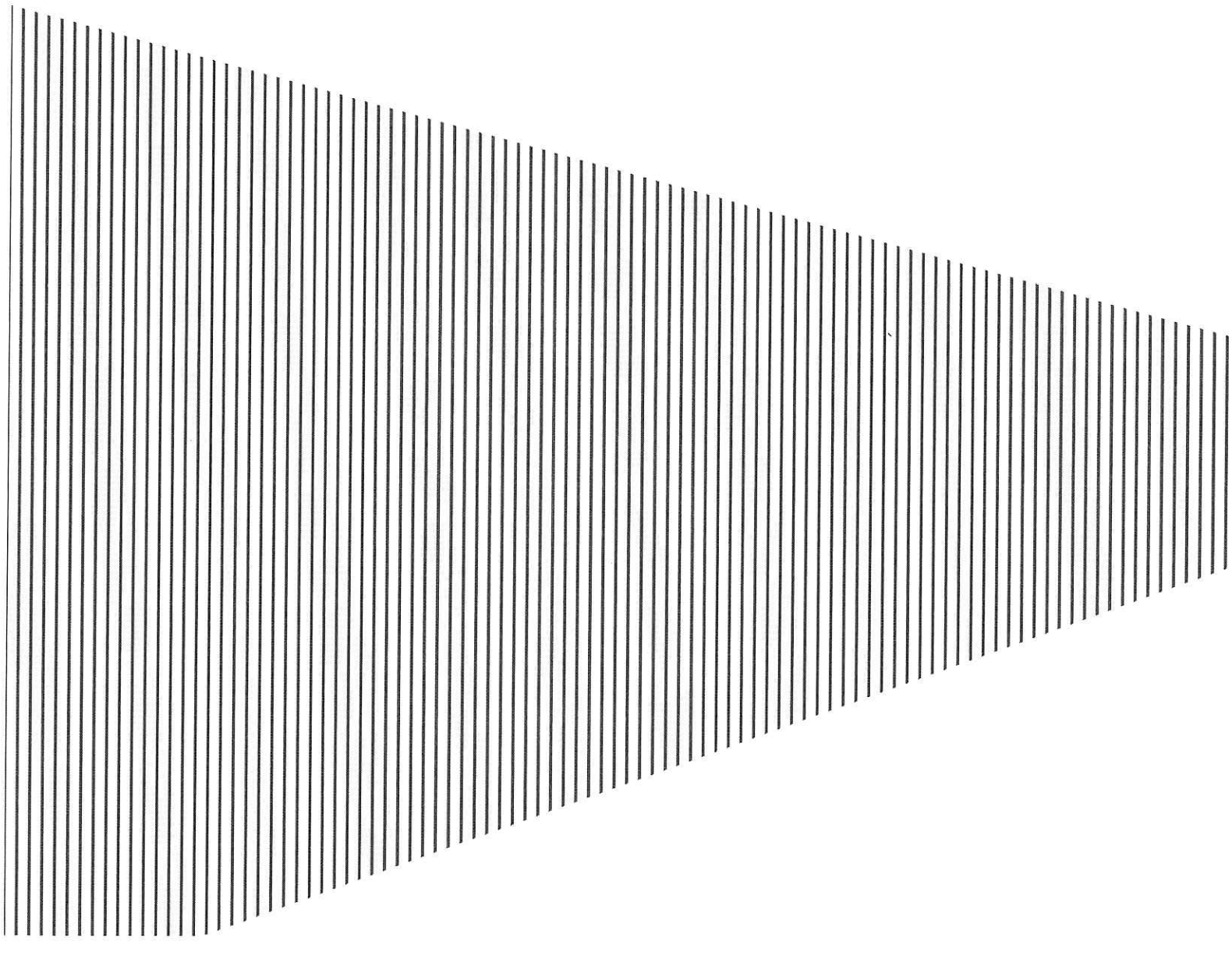
Credit risk
Credit risk arises from the possibility that the entities from which the Hospital receives funding may experience difficulty and be unable to fulfill their obligations. The majority of the Hospital's accounts receivable are owed by government agencies with good credit standing. At year-end, patient and other accounts receivable totalled $1,096,104 [2014 – $1,210,148]. As a result, the requirement for credit risk related reserves for accounts receivable is minimal. The Hospital has no significant concentration of credit risk with any one individual customer. There are no significant past due or impaired balances as at March 31, 2015.

Liquidity risk
Liquidity risk is the risk of the Hospital being unable to meet its obligations as they fall due. The Hospital manages its liquidity risk by forecasting cash flows from operations and anticipated investing, capital and financing activities, and maintaining credit facilities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

The majority of accounts payable and accrued charges and accrued salaries and wages are expected to be settled in the next fiscal year. The maturities of other financial liabilities are provided in the notes to the financial statements related to those liabilities.

19. PCOP ADJUSTMENT

In the previous fiscal year, the MoHLTC introduced reconciliation processes to Post Construction Operating Plans ["PCOP"] funding for hospitals in Ontario. The reconciliation covered the 2009 through 2013 fiscal years, resulting in a one-time adjustment in addition to the Hospital's previously estimated liability. As a result, the Hospital recognized an additional one-time adjustment of $2,493,897 in the prior year.



Huron Perth Healthcare Alliance

BY-LAW AMENDMENTS

Huron Perth Healthcare Alliance
By-Law Amendments

Corporate By-Laws Amendments:

- Changes relate to amendments of the Professional Staff By-Law:
  - Deletion of Section 16.09 "Professional Staff in Training" from the Professional Staff Categories Article of the By-Law as well as categories (Section 16.01(a)(viii). This section relates specifically to the process of credentialing learners (students and residents) prior to the start of their rotation.
    - Reasons:
      - Consideration of Letters of Good Standing from the learners' academic centre for all Professional Staff in Training is already a requirement of HPHA's application and approval process, in addition to other documentation requirements.
      - A by-law process for the credentialing of Professional Staff in Training is not required by the *Public Hospitals Act*.

ARTICLE 16. PROFESSIONAL STAFF CATEGORIES

16.01 Professional Staff Categories

(a) The Professional Staff shall be divided into the following categories:

(i) active;

(ii) associate;

(iii) consulting;

(iv) courtesy;

(v) locum tenens;

(vi) temporary; and

(vii) honorary.~~; and~~

(viii) ~~professional staff in training.~~

16.09 Professional Staff in Training

(a) The Board, on the advice of the Medical Advisory Committee, may appoint members to the Professional Staff in Training for the Alliance. An appointment to the Professional Staff in Training category shall be for a specified period of not more than one (1) year. Appointments, dismissals and promotions of the members of the Professional Staff in Training shall be based on the recommendations of the Medical Advisory Committee.

(b) The Medical Advisory Committee shall ensure that each applicant to the Professional Staff in Training category provides a letter from his educational institution confirming that he is a student in good standing, along with photo identification.

(c) Each member of the Professional Staff in Training:

(i) shall sign a statement that he is aware of and will abide by the *Public Hospitals Act*, the By-Laws, and the Professional Staff Rules and Regulations;

(ii) shall work under the supervision of a member of the active Professional Staff appointed by the Medical Program Director or the Site Chief, as the case may be, at all times, with the degree of independence enjoyed by such member of the Professional Staff in Training being at the discretion of the supervisor;

(iii) may attend Medical Staff Association and Program meetings, without the right to vote;

(iv) shall not be eligible to serve on a subcommittee of the Medical Advisory Committee; and

(v) shall not have admitting Privileges.

NOMINATING REPORT

2014/2015

HURON PERTH HEALTHCARE ALLIANCE

Huron Perth Healthcare Alliance
Nominating Committee Report
June 25, 2015

The Governance Committee, acting as the Nominating Committee, recommends the following slate of candidates for reappointments to the Huron Perth Healthcare Alliance Board of Directors:

For three-year appointments:

- *Bill Scott, Regional representative*
- *Rena Spevack, representative from the City of Stratford*

For two-year appointments:

- *Dick Burgess, from the catchment area served by Seaforth Community Hospital*
- *Lynn Girard, from the catchment area served by Clinton Public Hospital*

For one-year appointment:

- *Leslie Showers, from the catchment area served by St. Marys Memorial Hospital*

The Board of Directors endorsed the recommended slate at its June 4th, 2015 Board Meeting. As the slate fills all existing vacancies and there are no other candidates before the members of the Hospital Corporations, the above-named candidates are acclaimed as Directors of the Alliance as of the end of the Annual Meeting.

AUXILIARY & VOLUNTEER REPORTS

2014/2015

Clinton Public Hospital
Auxiliary Report
2014/2015

The Clinton Public Hospital (CPH) Auxiliary held 9 regular meetings from April 1, 2014 to March 31, 2015, with an average of 30 members attending each meeting.

Our members, including 5 new members, continue their volunteer commitment as each one shares their time, talents and abilities. Our volunteer hours for the year totalled 9,065.

At our Annual Meeting in April, the CPH Auxiliary donated $15,000 to the CPH Foundation to be used for selected items for the hospital. We also made donations to the foundation in memory of the loss of Auxiliary members, and their immediate family members.

The CPH Auxiliary donated two $500.00 scholarships to a student from each of St. Anne's Secondary School, and Central Huron Secondary School for their continuing education in the medical field.

Our fundraising events throughout the year have included:

- March: Irish Stew Lunch held at Clinton United Church
- March/April: Card Cavalcade held at several local sites
- May: Tag Days with stations set up at various locations
- May: Yard & Bake Sale held at one members yard in Clinton
- June: Hot Dog Days at local grocery store
- July: Hospital Day at the Clinton Race Track, helping with catering and silent auction
- September: Penny Sale held at St Pauls' Anglican Church in Clinton
- November: Bird House and Cash draw and 'Gift of Light' sale of lights on a tree to honour loved ones
- December: Christmas Silent Auction held at CPH Conference Room

Our in-hospital volunteer work includes Gift Shop Sales, decorating the hospital for Christmas, Portering Service for patients following cataract surgery as well as other surgical procedures, providing information and directions to patients, and assisting with Outpatient Clinics.

Many attended Volunteer Appreciation Events and we attended the HAAO South Central Region Spring Conference in April in Guelph, as well as a Presidents Day in September. Four of our members attended the November HAAO Conference in Toronto. It was a very worthwhile event and an opportunity to share knowledge and experiences. It is indeed a privilege to work among this group of energetic and dedicated volunteers who wish to continue assisting staff to provide the best possible care to the patients at Clinton Public Hospital.

Respectfully submitted,

Dianne Stevenson, President

St. Marys Memorial Hospital
Auxiliary Report
2014/2015

This year marks our 65th Anniversary acknowledged by the HAAO with a certificate. The Auxiliary passed a motion at our April meeting to purchase an item for the hospital from our In Memorial Fund to remember our past members. We are planning a celebration to be held this summer.

The St Marys Memorial Hospital Auxiliary had another great year in the Gift Shop plus additional activities (two Bake Sales and two Bingos) that has allowed us to raise great money to support the St. Marys Memorial Hospital.

We purchased for the St Marys Memorial Hospital equipment this year worth $14,271.29 in our continuing goal to support the care of the Patients and our Doctors, nurses and other staff in the hospital.

The equipment that was purchased:

- A ceiling lift which enables patients to be transferred in a safe, comfortable and dignified way.
- A sleeper chair which promotes a healing environment for patients by providing home-like comfort for their family members who may wish to spend the night.
- An adult and pediatric pulse oximeter which is a non-invasive device used to measure a patient's blood-oxygen saturation level and pulse rate.
- Two mini isolation cart used to store all the supplies required by protocol to reduce the risk of hospital acquired infections between patients, healthcare workers and visitors.

Our annual bursary to a student entering a medical related field was a one-time $500.00 payout to a DCVI student in September. We recruited 4 new members this year as we try to expand the hours the gift shop is open.

We are to be the host for the 2016 H.A.A.O. South Central Regional Spring Conference.

President
Larry R S Beattie

St. Marys Memorial Hospital Auxiliary
Annual Financial Statement
April 1, 2014 – March 31, 2015

General Account

Bank Balance as of April1,1 2014	$	2,487.39
Receipts:		
Membership Dues	298.00	
Bake Sales	1,360.05	
Independent	245.00	
Bingo	1,534.35	
Silent Auction Item	305.00	
Bank Interest	.48	
Total Receipts		3,742.88
Disbursements		
Bake Sales Expenses	45.21	
Bingo Expenses	868.11	
Donation (Oximeter)	709.02	
Bank Charges	0.00	
Office Expenses	96.05	
HAAO Fees	290.00	
Bursaries	500.00	
Total Disbursements		2,508.39
Bank Balance as of March 31, 2015		3,721.88

Treasurer Joanne Pickering

Reviewed this 12th May 2015 by Larry Beattie

St. Marys Memorial Hospital Auxiliary
Annual Financial Statement
April 1, 2014 – March 31, 2015

Gift Shop

Bank Balance as of April1, 2014		$ 12,090.23
Revenues		
Profit from Gift Shop (detail below)	6,751.05	
Bank Interest	0.00	6,751.05
Disbursements		
Office Expenses	11.35	
Bank Charges	9.50	
Conference Expense	63.25	
Hospital Donations	13,562.27	13,646.37
Change in Inventory value (Inc.) Dec		340.16
Bank Balance as of March 31, 2015		5,535.07

Gift Shop Treasurer Irene Wortley
Reviewed Larry Beattie

Gift Shop Results		
Sales at Gift Shop	10,918.08	
Kingsway Lodge Sales	1,298.50	
Heritage Day Sales	875.40	
Total Sales		13,091.98
Cost of Goods Sold		
Plus Beginning Inv.	4,587.34	
Plus Purchase Gift Shop	6,000.77	
Less Inventory Inv.	4,247.18	
Net Cost of goods Sold		6,340.93
Net Profit from Shop		6,751.05

St. Marys Memorial Hospital Auxiliary
Annual Financial Statement
April 1, 2014 – March 31, 2015

In Memoriam Account

Bank Balance as of April1,1 2014		$ 629.83
Receipts:		
Interest	.97	
Donation in Memoriam	100.00	
Total Receipts		100.97
Disbursements nil		
Bank Balance as of March 31, 2015		730.80

Treasurer Joanne Pickering

Reviewed this 12th May 2015 by Larry Beattie

Seaforth Community Hospital
Auxiliary Report
2014/2015

Since 1933 the Hospital Auxiliary has been providing volunteer support to the Seaforth Community Hospital to enhance patient care.

Throughout the year approx. 34 volunteer members committed their time and talent in support of the Seaforth Community Hospital. Members met monthly throughout the year (except July & August) from April 1, 2014 to March 31, 2015.

This year the SCH Auxiliary donated $8,128.00 to the Seaforth Community hospital to be used from the purchase of much needed patient care equipment.

The SCH Auxiliary also presented a $500 bursary to Ashley Campbell at the Central Huron Secondary School Commencement held October 10, 2014.

The HAAO held a Spring Regional conference and Annual Conference during the year.

Our fundraising initiates and events throughout the calendar year included:

- Funky Friday's
- Easter basket draw
- 31 day fundraiser
- Fall fair 50/50 raffle
- Bake Sale
- Bakeless sale
- Penny project
- Walton motocross
- Traveling trunk
- Tree of Lights
- Tray favours for patients

This year's fundraising success is a testimonial to the ongoing support received from our community and commitment from our volunteers in support of our local hospital.

With this Annual Report we are pleased to communicate our continued support of patient care at the HPHA - Seaforth Community Hospital.

Respectfully submitted

Sheila Lavoie
Director, SCH Auxiliary

Frances Teatero
Director, SCH Auxiliary

Volunteers of Stratford General Hospital

Annual Report 2014/2015

Through unfailing dedication, our Volunteers continue to devote their time, talent and treasure to strengthen our program within the Stratford General Hospital. In review 2014/15 is no exception.

We are happy to report that 53 new members have joined HPHA, increasing the number of active volunteers to 423.

A total of 24,710 volunteer hours were contributed to the Stratford site. These are hours logged into the hospital system, while we know many hours are spent outside preparing for and involved in running events for fundraising. In terms of dollar value, based on paying our volunteers $20.00 per hour, these hours translate into a contribution of $494,200. That is impressive!

This year the VSGH pledged of $100,000.00 to the MRI campaign was paid in full.

The group has planned a garden party to celebrate this accomplishment to be held in June. At this event, we will vote to support our next pledge in partnership with the SGH Foundation.

Our year in Review:

E-recycling Fundraiser. This program was an outreach into the community with the support from our local radio station we were able to reach out to the city of Stratford to bring their old electronics to our parking lot to be properly disposed of. This event brought in a lot of electronics that we thought were extinct. It was a successful weekend. The group raised $2,101.00 and saved our landfills from items that should not be disposed of there. Watch for this program to return in the fall.

Bizco International Closed Bid Auction. This fundraiser reaches out to volunteers, staff and our patients/families and community members. There are professionally framed pictures placed throughout the hospital. Participants can place a bid with the hopes to win the framed print. From December 2014 when we began this fundraiser until March 2015, the VSGH have raised $2058.00.

A **Bursary for Youth Volunteers** was awarded to two devoted students whom are studying within the healthcare sector. Our students are the two in the middle of this photo. On the left is Courtney Feeney enrolled in Health Sciences at the University of Western Ontario. Lisa Del Chiaro studies Social Development Studies at the University of Waterloo. The Volunteers of Stratford General Hospital wish both young ladies the best of luck with their studies.

As well as our commitment to Patient Services, fund-raising continues to be an important aspect in support of our hospital with the retail shops as our primary source of revenue.

Our **Gift Shop** volunteer group now includes previous store owners and buyers who have created a true retail gem within our lobby. Their approach to marketing has created an inviting store which again this year provided a net profit of $24,898.08.

The **Coffee Shop** continues to provide that needed boost to our patients and family members as well as staff. The warm and welcoming environment has been successful in raising $31,229.83 this past year.

H.E.L.P.P. Lottery continues to raise funds in support of our hospital's equipment needs. As well as supplementing our pledge towards the MRI, this break-open lottery ticket program was able to support the Surgical Unit on E3 with a payment for 2 High-end sleeper chairs allowing family to stay and sleep in the room to reduce stress on patient and family members. Also we are providing a refresh to the Patient Visitor Lounge with 6 new chairs and 2 loveseats in the same surgical wing. This program raised $15,337.08 this year.

The **Raffle** this year was for a $1,000.00 Cash, I Pad and $250.00 gift certificate to Target. This is one of our Major events and this year nets us a $3,999.51 profit.

Other fund-raising Events held throughout the year were Bridge and Euchre parties, Gift Basket auction, coin canisters and the Vendor programs. All these activities were highly successful thanks to the many Volunteer hands of support not included in the Volunteer hours. $6,690.78

Total funds raised by the Volunteers of Stratford General Hospital

$86,314.28 PROFIT

Respectfully submitted,

Cheryl Hunt
Corporate Lead Volunteer Services

Terry Aitcheson
Chair, Volunteers of SGH

FOUNDATION REPORTS

2014/2015

HURON PERTH HEALTHCARE ALLIANCE

Clinton Public Hospital Foundation
98 Shipley Street
Clinton, ON N0M 1L0
Phone: 519-482-3440 Ext. 6297
Fax: 519-482-8762
Email: cph.foundation@hpha.ca

CPH Foundation Annual Report 2014/2015

The Clinton Public Hospital Foundation is pleased to report that we had another successful year which is only possible because of the generous support of our caring community and dedicated volunteers.

Our biennial Gala was held on Saturday June 14th. Our sincere thanks go to each sponsor and volunteer for making our "Evening in Paris" such a successful event. The delicious dinner was followed by a live & silent auction and awesome entertainment. The Gala event raised well over $123,000.00 due to our community generousity. We hope each attendee had a great time.

The annual CKNX Radiothon was held in Wingham on Saturday October 18th. Our fundraising goal for this event was a Zoll defibrillator for the emergency room, with each persons support we were able to make that purchase for the 2014/15 fiscal year. Once again our Clinton Kinsmen hosted a delicious breakfast the morning of Radiothon at the Central Huron Community Complex and our community did a great job of supporting them while enjoying a hearty breakfast. The support of our local service clubs is much appreciated, their hard work does not go unnoticed. The breakfast and pledges called in the day of the 2014 Radiothon totaled $25,737.91. We have participated in the CKNX Healthcare Heroes Radiothon since its inception in 2002 and have raised an accumulated total of $428,268.84 in that 12 year time frame.

Each year we end the calendar year with our annual Christmas Campaign. And each year our community with their Christmas Spirit generously donates during the Holiday Season. This year was no exception; we received almost $34,000.00 in donations.

We have also received bequests and many memorial donations, we are so thankful of families who name the Clinton Public Hospital Foundation as the charity to receive donations in memory of their loved one.

In addition to our fundraising efforts, members of the Board of Directors have developed the CPHF website to share the Foundation's various activities and enhance our communication and social networking presence. This has been an exciting project and we look forward to launching it, together with our Facebook page, in the near future.

We are so blessed to be part of a small caring generous community and we wish to extend our deep appreciation to each individual who contributed to making a difference at the Clinton Public Hospital.

Kindest regards,

Janice Cosgrove
Chair
Clinton Public Hospital

Clinton Public Hospital Foundation
Board of Directors
2014/2015

Janice Cosgrove, Chair

Una Roy, Vice Chair

Steve Brown, Treasurer

Dr. Daniel Ooi, Medical Liaison

Shana Barnim – resigned April 2015

Tim Collyer

Linda Dunford

Bert Dykstra

Gerry Hiltz

Anette McTaggart – resigned January 2015

Susan Meyers

Darren Stevenson, Past Chair

St. Marys Memorial Hospital
Foundation Annual Report
2014/2015

I am pleased to present the President`s Report for the fiscal year ending March 31, 2015.

Your board had another very busy year of fundraising activities which included our 21st annual golf tournament in July, our 4th annual Radiothon event in October and our annual Christmas campaign in December. All of these events were very successful financially and add tremendous value in terms of raising the profile of the Foundation in the community.

These initiatives raised a total of $54,509 with the breakdown as follows: (all are net of associated expenses)

Golf Tournament	$ 7,874
Radiothon	$ 28,635
Christmas Appeal	$ 18,000

Thanks are extended to Bill Chmura for his leadership of the golf tournament over the past number of years and to Chris Linklater for taking on the role as chairman in Bill's departure.

After a review of the years' events it was concluded that we should step out of the Radiothon activity. Our proximity to Wingham does not lend itself to receiving donations through the event itself. However, our local promotions at The Wellness Centre have proven a successful alternative and plans are being made to host a local event of the same nature this year and going forward.

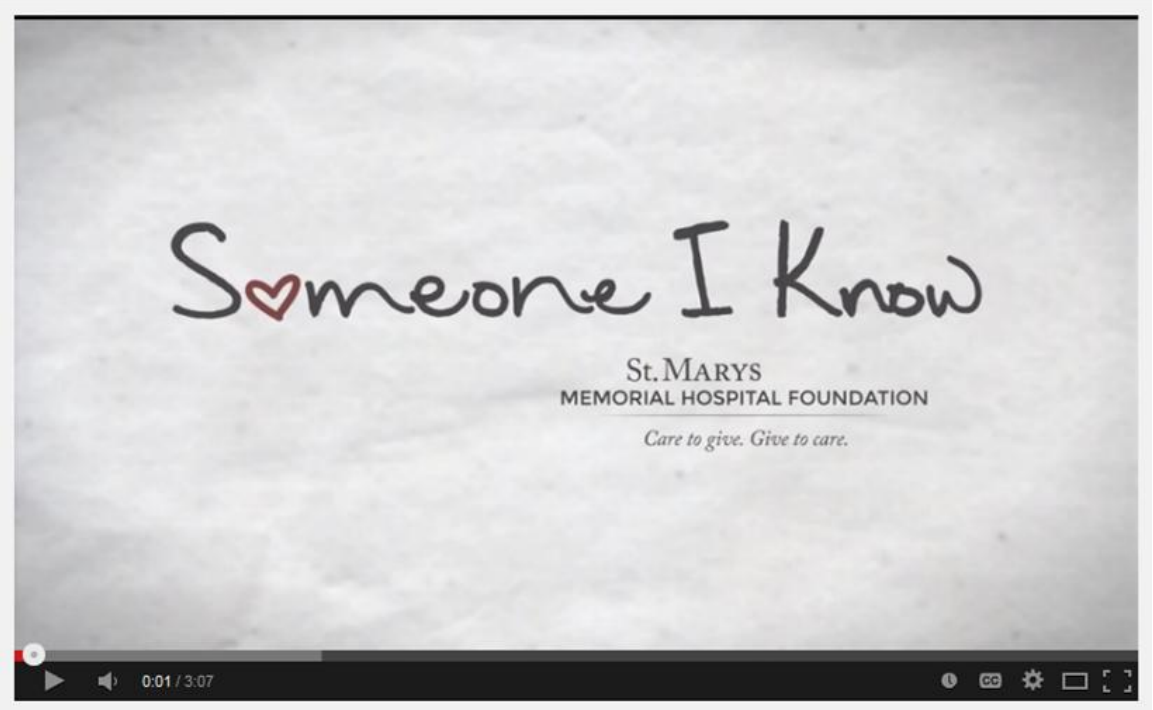
The continuing and growing support we receive from the small businesses community in our area that come forward to organize fundraising activities on behalf of the Foundation is very much appreciated. For the second year Sarah Foster and Walter Tzachuck hosted a Tube Slide Night at River Valley with all funds supporting the Foundation. Unfortunately Mother Nature has not been on our side with this event, but we will try again next year! Thanks are also extended to Heal 'A Peel, SDS Car Care and The Cheese Shop (for the Allan Stewart special) for their contributions.

At year end, plans were well under way for our third 'The Beat Goes on Gala' celebration which took place at the PRC on May 2, 2015.

We are lucky to have a caring and active Hospital Auxiliary who this year donated $13,074.25 to purchase much needed pieces of patient care equipment. Their hard work and continuing support is deeply valued.

In addition to fundraising activities we are very fortunate to be included in many Memorial Donations totaling $47,000, Estate Gifts totalling $222,000 and many unsolicited gifts totalling $82,000. This says volumes about the commitment of our community to our hospital, wellness centre and our health care system in general.

February 5, 2015 marked an historic day for our Foundation as we kicked off our first Capital Campaign, *Someone I Know*, with a wine and cheese party in the rotunda of the Wellness Centre. Our goal is to raise five million dollars for improvements and upgrades to our facilities. We are extremely proud to announce we kicked off the campaign with commitments of $1.9 million.



http://youtu.be/i8rz-9cuo6o

Our sincerest thanks are once again expressed to our lead contributors: Tradition Mutual Insurance and Quadro Communications for their generous support. The Wellness Center will now be known as *The Tradition Mutual Centre for Wellness* and our Emergency Department will be sponsored by Quadro Communications. Appropriate signage is being developed to reflect these commitments.

Due to the large amount of work required in organizing a campaign of this magnitude the Board has hired Krista Linklater as Fundraising Coordinator. Krista has proven to be up to the challenge and we are pleased to have made such a good choice.

In St. Marys we are fortunate to have a strong Family Health Team with nine doctors, two nurse practitioners, a social worker, an addiction counsellor, a dietician, a pharmacist an executive director and an office administrator. Because of the Family Health Team's efforts, the individual practice of Dr Susan Hiscock and a strong partnership with the Foundation we are able to keep primary health care in the community at a very high level. An interesting statistic that you may not know is that that Happy Valley Family Health Team books fifty thousand visits a year. The Foundation committed $22,500 to physician recruitment and $10,678 to continuing education in the past year. We are pleased to have the Town of St Marys as an ongoing partner in this important initiative.

Our annual budget at the Foundation generally runs in excess of $300,000. This year we funded $79,461 of projects in the hospital and $66,118 for renovations at the Wellness Centre. We have also made a commitment to cover the costs of renovating the X-Ray suite and communications stations in the Emergency Department and Inpatient Unit of the hospital for a total of approximately $950,000. In addition, we fulfilled our ongoing commitments to the Pyramid Recreation Centre and Stratford General Hospital as well as supporting several smaller healthcare related initiatives in the community.

The Foundations' long term investment portfolio had another good year ending March 31, 2015 with a total value of $3,393,727. This represents a gain of 5.55% for the year and represents a total investment of $175,290. At year end our asset mix was 35 % equities, 47% fixed income instruments, 15% cash (including short term maturities of less than one year) and 3% alternate investments. This is in line with our Investment Policy Statement.

Thank you to Amanda Dobson our Administrative Assistant and to Lane Weessies, who represents the Foundation from her office at the hospital on a day to day basis. Both of these ladies are valuable resources.

Finally, to the members of our Board, the many hours of volunteer work you complete and your commitment to improving our hospital, our Wellness Centre and our health care system for the residents of St. Marys and area is to be commended.

Congratulations and thank you to all of you.

Doug Holliday, President
St. Marys Memorial Hospital Foundation

St. Marys Memorial Hospital Foundation
Board of Directors
2014/2015

Larry Beattie

Pat Craigmile

Dr. Bob Davis

Terry Fadelle

Doug Holliday

Jo-Anne Lounds

Andrea Macko

Ken McCutcheon

John McIntosh

Mike Richardson

*Al Strathdee**

Carolyn Wood

Officers

President:	Doug Holliday
Vice-President:	Al Strathdee
Secretary-Treasurer:	Andrea Macko

**Note Al Strathdee resigned effective August 2014. Carolyn Wood was elected as Vice President effective April 2015.*

Seaforth Community Hospital
Foundation Annual Report
2014/2015

Since incorporation in 1994 the Seaforth Community Hospital Foundation has invested approx $1.5 million dollars in support of crucial medical equipment, redevelopment and new technology (NOT adequately covered by Government funding) for the HPHA - Seaforth Community Hospital. Our Foundation board of volunteers is very proud that 100% of every campaign donation goes toward these respective projects.

This year a cheque was presented to the Huron Perth Healthcare Alliance (HPHA), Seaforth Community Hospital site in the amount of ***$89,975.00*** . These funds will upgrade the Seaforth Hospital site/wing of the HPHA with replacement of one of two aging Defibrillators in our Emergency Dept. and the X-Ray with a Digital portable retrofit.

This year's fundraising success is a testimonial to the ongoing support received from our community, for our local hospital. The Seaforth Community Hospital is a place where people know and trust their caregivers, to provide quality care "close to home".

Our fundraising initiatives operated throughout the year, highlighting the critical needs:

- Summer Campaign Appeal letter and Annual Newsletter
- Walton TransCan Motocross (together with the Seaforth Hospital Auxilary),
- 12th Annual CKNX Health Care Heroes Radiothon and
- Christmas/Winter Campaign Appeal letter.

Throughout the year the Foundation received regular reporting including audited financial statements from the Seaforth Community Hospital Trust (Chair, Sheila Morton). The Seaforth Community Hospital and Foundation boards established the Hospital Trust in June 2003, to ensure local control of property and support the Seaforth Community Hospital. The Hospital Trustees manage the Health Centre and lands in accordance with the written objects of the Trust and to that end work cooperatively with other community healthcare organizations.

With this Annual Report we are pleased to communicate how the community's financial investment has helped support the identified critical needs of the HPHA - Seaforth Community Hospital to provide healthcare "close to home".

Working together with the HPHA management team our volunteer foundation board of directors continues to provide tremendous community leadership and governance.

If we all give a little… we all get a lot!

Ron Lavoie
SCH Foundation Chairman

Bill Scott
SCH Foundation Vice Chairman

Seaforth Community Hospital Foundation
Board of Directors
2014/2015

Ron Lavoie, Chairman

Bill Scott, Vice-Chairman

Andrew Williams, Secretary-Treasurer

Dick Burgess

Liz Cardno

Tim Cunningham

Sheila Morton

Kerri Ann O'Rourke

Mike Hak

Alf Ross

Robert I. Norris

Sherry McCall

Wendy Hutton

Greg O'Reilly

STRATFORD GENERAL HOSPITAL Foundation

"People Caring for People"

Making a Real Impact...

2014/2015 Chair's Message

I feel fortunate to live, work and raise my family in a place like Stratford. It is a city and a region that is blessed in many ways. It's an exciting, vibrant place to live; a place where caring and generosity is woven into the very fabric of the community, improving the lives of all who live here in countless ways.

As Board Chairman, and both a Foundation Board member and Hospital Local Advisory Committee member for a number of years, I've witnessed that generosity at work and watched it grow, helping us build and modernize our hospital and equip it with millions of dollars worth of lifesaving equipment, including the MRI.

Imagine the impact this has had – how many lives it has touched and even saved…our family members, friends and neighbours.

The past year has been just as successful from an organizational standpoint and the positive influence we continue to have on helping to build a stronger hospital and a healthier future for us all.

Not only was our Foundation recognized as one of North America's top 55 performing Foundations by the International Association for Healthcare Philanthropy, but we've also continued to raise significant funds through the support of generous donors like you – some $2.6 million to help purchase priority equipment including a new nuclear medicine camera, and a number of essential tools to help battle cancer including a Neoprobe, a Faxitron and a number of scopes.

At Stratford General Hospital Foundation, we treasure our donors. We're tremendously grateful for your support and thankful for the strength and flexibility it gives us as we move forward to create a healthier future for us all, despite a constantly challenging and changing environment.

To ensure we're prepared for those challenges, a great deal of effort has been focused on planning in recent months. That includes a major focus on strategic planning as well as preparation for our next major effort – a multi-year capital campaign to help purchase some of the $18 million worth of new technology and equipment that's currently on the hospital's priority list.

In order to successfully undertake such a major capital campaign, we know how important it is to inform, involve and inspire donors like you by sharing our vision of improved healthcare and celebrating our successes along the way.

To accomplish that, we've continued to reach out to our donors through traditional, tried-and-true methods like newsletters, news articles, appeal letters and personal contact. But we're also harnessing the power of social media and utilizing new communication technology like our recently installed donor kiosk in the main lobby. If you're interested, like us on Facebook, or send us your email address and we'll add you to our electronic distribution list. With these new options for people, we're hoping to attract new donors and strengthen our relationship with existing supporters as we reach new heights and chart our way to new horizons.

Raising funds is never easy, even when you have enthusiastic donors and a cause that inspires. But it can be made a little easier when you work with knowledgeable and dedicated people like our Foundation Board Members whose wisdom is key in guiding our organization on its journey. Their efforts are appreciated.

And also my very special thanks to our Foundation staff Melissa Steinbach, Susan Grabarczyk, Christy Mair and Andrea Page, our executive director who provides the leadership, passion and know-how we rely on to keep us all moving in the right direction.

Thank you all for making a difference!

Rick Orr

Board Chairman

2014/2015 EQUIPMENT PURCHASES

The Stratford General Hospital Foundation disbursed **$1,329,630.25**. The items sponsored through our donors' generosity include:

- Digital Chair Scale
- Vial Reconstitution Shaker
- 3 Laptop Computers
- Sequential Compression Device
- 3 Welsch Allyn Blood Pressure/ SP02 Monitors w/ accessories
- Patient/Visitor Lounge Furniture
- 2 Sleeper Chairs
- Holter Monitor Equipment
- 2 Wheelchairs
- Versa Care Bed
- Ice/Water Maker
- Drill Set and a Glidescope
- Neoprobe
- EMG Unit
- Ceiling Lift
- Warming Cabinet
- Video Processor/Scopes
- Faxitron
- MRI – $332,000 – towards MRI
- Building Redevelopment construction – $452,570
- Nuclear Medicine Equipment – $197,430
- Hospital Staff Education

Please visit our website **www.sghfoundation.org** for a complete list.

STRATFORD GENERAL HOSPITAL Foundation

A Year to Remember . . . Highlights!

■ Some 200 physicians, hospital staff, family members and friends were on hand at the special memorial dedication and naming of the Day Surgery Communication Station in memory of Dr. Kent Sorsdahl. Many months of planning culminated in this poignant and memorable event. A special thanks to Larry Sorsdahl, Kent's father, for his major naming gift and his ongoing support.

■ Faxitron ($150,000) and Nuclear Medicine Camera ($857,400) are both "paid in full"! We can never say thank you enough to our community!

■ Our community continues to respond generously to our Christmas mailing reaching $282,932 to date with a total of 1328 donors with the average gift of $213.05.

■ Over the last few years the Foundation has disbursed over $17 million to the redevelopment project, including $2.4 million for PACS and this fiscal year's **$650,000** towards Nuclear Medicine equipment, and towards construction. To date over $3.4 million has been disbursed towards the cost of the $3.8 million MRI project.

■ With a committed core of some 230 members, Volunteers of Stratford General Hospital play an essential role in providing quality care to each patient who comes through our doors, and in raising much needed funding to help the hospital meet its priority needs. They completed their $100,000 MRI Pledge, and have committed another $150,000 pledge to essential equipment.

■ SGH Foundation Facebook contest is launched. Be our friend, like our page and get a chance to win really NEAT prizes! For every 25 new friends added – all our friends will be included in a draw for hoodies, first aid kits, market baskets, etc. Next grand prize threshold is 500. It's a great way to get news on what's going on at our Foundation.

■ **Unveiling our new Donor Recognition Kiosk in the Main Lobby.** Interactive recognition displays are a very effective way to attract, inform, inspire and motivate donors, visitors, volunteers and staff at first point of contact. Touch screen digital displays are appealing because they can be updated as often as necessary and they can tell stories in the actual words of the donors and patients.

■ "A million thanks!" says surgeon Marcie McCune to donors whose support of the Spring mail-out helped purchase the Neoprobe, a state-of-the-art gamma probe, used in both breast cancer and melanoma surgery, several times each week by five general surgeons and two plastic surgeons.

■ Special events including the Royal Lepage Hiller Realty *Golf for the Health of It* tournament, Perth County Flying Club, Tim Hortons Smile Cookies, *Shoppers Drug Mart Tree of Life, Festival City 10k Run and the ACES car rally* help raise essential dollars for medical equipment.

■ The Strickland's Gong sounds through the lobby as patients, visitors and staff alike celebrate their milestones. A special thanks to the team at Strickland's and Bannon Log Homes for their continued support of our hospital.

■ Association for Healthcare Philanthropy International congratulates our Foundation as **one of 55** foundations recognized as **"High Performers"** based on analysis from the 2013 AHP benchmarking database. AHP identified participants "that have shown high efficiency and effectiveness as they relate to bottom-line returns". Membership in this group of 55 "is quite an achievement – one worth special recognition."

Governance & Stewardship – Volunteer Board

Stratford General Hospital Foundation Board of Trustees 2014 - 2015

Standing L to R: Andrew Williams, Dave Carter, Paul Roulston, Manon Johanns, Bob Gulliford, Andrea Page - Executive Director, Chris Thomson. Seated L to R: Mary McTavish - Past Chair, Brent Hiller - Vice Chair, Rick Orr - Chair, Debbie Reece - Treasurer. Absent: Hugh McDonald, Dr. K. Sparrow. Honourary Life Member, Colleen Misener.

STRATFORD GENERAL HOSPITAL Foundation

CLINICAL QUALITY REPORT

2014/2015

HURON PERTH HEALTHCARE ALLIANCE

HURON PERTH HEALTHCARE ALLIANCE

Huron Perth Healthcare Alliance

Clinical Quality Report

2014 - 2015

Supporting people

Strengthening partnerships

Improving performance

Executive Summary

The Huron Perth Healthcare Alliance (HPHA) is committed to safe quality patient care, an excellent patient and family experience and personal centered care. Our Operating Priorities: **Quality and Safety, Patient Access, Fiscal Health** and **Workplace Health** drive our organizational goals and objectives; our Guiding Principles: **People, Partnerships and Performance** define the work we do, the care we provide, and the contribution we make to ensuring our healthcare system is the best that it can be.

HPHA is committed to integration and partnership as fundamental driving forces.

While the focus of this report is clinical quality, none of these initiatives would have been successful without the partnership and support of all HPHA departments such as Infection Control, Human Resources, Information Technology, Environmental Services, Patient Registration, Finance and Facilities Management.

CONTENTS

HPHA CLINICAL QUALITY INITIATIVES

Accreditation Canada
HPHA received Accreditation with Commendation award at our October 2014 site survey.

Bed Realignment
In December 2014, HPHA realized the culmination of several years of work under Vision 2013 to realign our beds and resources to ensure access to the safest, highest quality healthcare possible now and in the future:

- Relocation of 9 general rehabilitation beds to the Seaforth site
- Establishment of 8 bed Integrated Stroke Unit (3 acute, 5 rehab) at the Stratford site
- Distribution of complex continuing care beds across 4 sites
- Realignment of acute beds across 4 sites

Bedside Transfer of Accountability
The Canadian Foundation for Healthcare Improvement has funded a pilot project focused on improving quality and safety of patient care and the patient experience by engaging patients and family in the exchange of information at change of shift at the bedside. This pilot is being conducted on the inpatient surgery unit at the Stratford site and the Inpatient Medicine unit at St. Marys site.

Collaborative Care Model
This initiative, aligned with HPHA's Vision 2013/Bed Realignment transformational strategy, promotes individuals working in an interprofessional model to their scope of practice and has included:

- Education to all Leaders and regulated front line staff regarding interprofessional practice and the collaborative care model.
- Revised roles for RNs, RPNs and Unit Clerks; introduction of Team Leaders and Personal Support Workers (PSWs); increased hours of support.
- Enhancement of interprofessional relationships regarding role of and communication with all team members.
- Development of standard work for PSWs.
- Unit –Specific Collaborative Care Planning Committees to develop care delivery models and patient processes.

Crash Cart Standardization
These carts, equipped to respond to cardiac arrests, have been standardized across the Clinton, St. Marys and Seaforth sites with standardization underway for the Stratford site.

Electronic Patient Integration Connectivity (EPIC)
The South West Local Integration Network (SWLHIN) provided $1.3 million in funding to support the EPIC project for HPHA and Alexandra Marine and General Hospital (AMGH). HPHA has replaced central cardiac monitoring, ECG carts and nurse call equipment at the Clinton, St. Marys and Seaforth sites; and Stress Testing equipment at the Stratford site. Integration through wireless technology into the Electronic Health record will be achieved and enable remote viewing of cardiac tracings.

HPHA Quality Ethics Framework
The HPHA Ethics Framework underwent substantial revision in preparation for our Accreditation survey in October 2014. The intent of the framework is to apply our quality lens to all ethics-focused activities and our ethics lens to all quality initiatives. The HPHA Ethics Committee has resumed and will include patient and family representatives as members.

Falls Prevention Program
The focus of this initiative is patient safety with consideration to an individual's need for dignity, independence and freedom and includes:

- Identification of patients at risk for falls and implementation of appropriate prevention measures
- Reduction of potential for and number of falls and/or injury
- Integration of patients and family members into the falls prevention strategy
- Screening of all Inpatient and Outpatient areas with standardized falls risk tools
- Implementation of such tools as falls risk signage for patient rooms and mobility aids; Prevention Brochure for patients and families; e-learning module for staff, physicians and leaders; and audits for compliance

Hand Hygiene
HPHA continues to advance its commitment to Hand Hygiene as the single most effective means to control infection. In 2014-15, we achieved 85.2% and 92.2% for before and after contact with the patient and patient care environment respectively; HPHA's target for before contact with the patient or patient environment is 85%.

Incident Reporting Program Software Upgrade
This upgrade allows a streamlined electronic reporting of staff and patient incidents and includes escalation alerts to track progress on open incidents.

Learning Organization
In 2014/15, HPHA partnered with Brant Community Healthcare System to advance our commitment to building leadership capacity and fostering a learning organization:

- 76 staff and 47 leaders were certified at the Yellow Belt level for Lean Healthcare
- 39 leaders completed the Advanced Level of Leadership Training
- 18 Team Leaders and 15 leaders completed the Emerging Leaders Training

Late Career Nursing Initiative
With this year's Late Career Nurse Initiative, 2 RNs each provided 120 hours of education to front line nurses regarding the new protocols and documentation processes related to the revised Falls Prevention Program and Pressure Ulcer Initiative.

Medication Safety Initiatives
The following initiatives advance HPHA's commitment to medication safety:

- Completion of Electronic Medication Administration Record / Bedside Medication Verification implementation
- Revision of Medication Reconciliation forms to comply with Accreditation standards

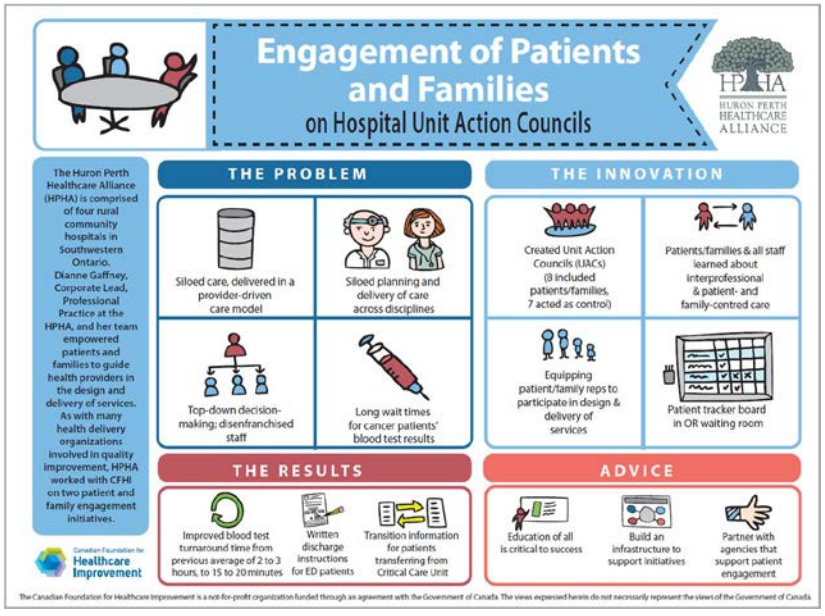
- Implementation of Minibag Plus system to reduce the likelihood of medication errors related to nursing preparation of intravenous medication in the patient care area
- Engagement of Antimicrobial Stewardship Program (ASP) experts from Mt. Sinai/University Health Network to assist HPHA in further development of our Regional ASP initiative

New Graduate Initiative
Three nurses were hired under the New Graduate Initiative, one in each of Stratford and St. Marys Emergency Departments and Critical Care; one of these individuals has recently been recruited.

Non-Smoking Sites
The inclusion of the Stratford site in the City of Stratford smoking by-law reinforces HPHA's commitment to being a smoke-free organization.

Patient Flow
- Implementation of the 24/7 Bed Allocator role to streamline and improve access to beds at the 4 HPHA sites.
- Implementation of the provincial Coordinated Access to Complex Continuing Care and Rehabilitation Beds to ensure the right patient has access to the right bed to best meet their needs. This initiative has also led to a monthly Physician Engagement meeting to review cases and ensure processes are consistent and effective.

Patient Engagement
HPHA continues to be recognized for its work in Patient Engagement following our two year research project funded by the Canadian Foundation for Healthcare Improvement (CFHI). The results of our project were presented at the 6th Annual International Conference for the Institute for Patient and Family Centred Care in Vancouver in August 2014 and at the Planetree International Conference on Patient Centered Care in Chicago in October 2014. At the November 2014 OHA Health Achieve Conference, the CFHI showcased HPHA's Patient Engagement Project as one of their successful improvement projects.



Patient Satisfaction
HPHA again received notable recognition in the 4th Annual Report on "Patient Ratings of Overall Care and Likelihood to Recommend Ontario Hospitals" for patients' ratings regarding the quality of care received:

Clinton Public Hospital Site

- Inpatient, Overall Care: 90th percentile in all groups
- Inpatient , Likelihood to Recommend: 90th percentile in all groups
- Emergency Department, Overall Care: 90th percentile in all groups
- Emergency Department, Likelihood to Recommend: 90th percentile in all groups

St. Marys Memorial Hospital Site

- Inpatient, Overall Care: 1 of 2 Top Performers in all groups
- Inpatient, Overall Care: 1 of 2 Top Performers in small hospital peer group
- Emergency Department, Overall Care: 90th percentile in all groups
- Emergency Department, Likelihood to Recommend: 90th percentile in all groups
- Emergency Department, Likelihood to Recommend: 90th percentile in small hospital peer group

Seaforth Community Hospital Site

- Inpatient, Likelihood to Recommend: 90th percentile in all groups
- Inpatient, Likelihood to Recommend: 90th percentile in small hospital peer group
- Emergency Department, Overall Care: 90th percentile in all groups
- Emergency Department, Likelihood to Recommend: 90th percentile in all groups
- Emergency Department, Overall Care: 90th percentile in small hospital peer group

Stratford General Hospital Site

- Inpatient, Overall Care: 90th percentile in community hospital peer group

HPHA's 2014-15 Quality Improvement Plan included an improvement indicator to develop a Patient and Family Experience Framework that encompasses all aspects of creating an excellent patient experience. Ensuring that the voice of the patient and the voice of the staff co-create the way we deliver patient care and services, components include the creation of standards, processes and environments that support person centered care; establishment of patient feedback processes that allow for real time communication and action; and engagement of patients and family members in all aspects of organizational analysis and planning.

Pressure Ulcer Prevention
This protocol, developed to help patients maintain intact skin integrity and reduce the severity of pressure ulcers, includes:

- Prevention of pressure ulcers – daily completion of Braden score on all inpatients and selected outpatients for early identification of those at risk.
- Order Set to enable team members to work to their full scope of practice and provide timely interventions for patients identified at risk of having a pressure ulcer.

- Wound Care Champions – 11 RNs and RPNS have completed levels 1-3 of the Canadian Association of Wound Care Program and will be available across all four sites to provide consultation and advice on the care and management of pressure ulcers and other wounds.
- Nutritional Risk Screening –The Canadian Malnutrition Task Force Nutrition Risk Screening Tool is incorporated into the nursing admission assessment to allow for the timely screening of and appropriate nutrition intervention for all inpatients. At-risk patients will be referred to a clinical dietitian.
- Mandatory e-learning module to be completed by designated staff.
- Documentation revised to support the protocol and streamline electronic documentation.

HPHA hosted the SWLHIN Regional Wound Care Committee's 2 day education session to over 70 nurses which included 11 HPHA Wound Care Champions. Several of these nurses participated in the Hill Rom Prevalence Skin Assessment across the four sites in February 2015 and quality initiatives will be planned as necessary when results are available in May 2015.

HPHA's Wound Care Champions

Quality Based Procedures (QBP)
These specific groups of patient services focus on best practices that will allow the system to advance quality and achieve system efficiencies. The proportion of hospital funding associated with QBPs will increase over time.

HPHA is currently addressing QBPs for hip and knee replacements, cataracts, tonsillectomy, Stroke Care, Chronic Obstructive Pulmonary Disease, Congestive Heart Failure, hip fracture and jaundice. HPHA has sustained 2.4 day length of stay for hip and knee replacement while maintaining quality care and low readmission rates. The focus of other QBPs has been on process improvements such as care pathways and order sets.

Tripartite Study

HPHA, Knollcrest Lodge and Ritz Lutheran Villa/Mitchell Nursing Home engaged in a study funded by the SWLHIN and facilitated by Deloitte to explore partnership opportunities and develop collaborative models for service delivery in order to improve care and services to the residents of Huron and Perth Counties. All three organizations endorsed the final report and are committed to further analyze and subsequently implement select recommendations and continue to collaborate on an ongoing basis.

DEPARTMENT-SPECIFIC INITIATIVES

Corporate Planning

- To support the implementation of the collaborative care delivery model, refreshes of the St. Marys and Clinton Emergency and Inpatient Communication stations were completed. The Seaforth Inpatient Station was completed as well, along with the redesign of the Seaforth Emergency Department. Outcomes achieved include:
    - Engagement of staff, physicians, and patients regarding design
    - Consideration of privacy and confidentiality
    - Support of enhanced communication and collaborative care encouraging a team approach
    - Application of Lean principles; improved patient flow, workflow, and ergonomic options
    - New Medication Rooms for St. Marys and Clinton inpatients and Seaforth Emergency
    - 84% of staff surveyed rated overall satisfaction with new workspace as Good-Excellent
- In co-ordination with construction of Seaforth Emergency Department
    - Consolidation of Central Processing Departments to the Clinton site has provided more efficient and standardized work processes for reprocessing between Seaforth and Clinton sites. Other outcomes achieved include the reduction of staff travel between the two sites; savings on service contracts, supplies and linens; and refreshed Housekeeping staff education.
- Seaforth Emergency Department and Patient Registration Kaizen outcomes achieved included:
    - Improved patient flow
    - Identification and elimination of waste within processes and inventory, with an overall reduction in staff steps by 28%; $5418.62 of overstocked supplies removed; supply restocking locations reduced from nine to three areas; and development of specialty carts and reduced linen stock
    - Use of a 5S (Sort, Set in order, Shine, Standardize, Sustain) approach to support a productive and safe work environments
- Improvement Kata: Project Management Applications workshop developed to build upon the existing Beginner session (66 participants for 2014/15) with a focus on individual project needs and refreshing key concepts; two sessions provided with 14 participants.
- Bed Board Sustainability- Additional training provided to front line users to support standardized processes regarding Bed Board (the Alliance Wide bed capacity viewing tool).
- Bed Realignment - Co-ordinated occupancy for the Medicine/Stroke Unit at the Stratford site and the Clinton, St. Marys and Seaforth sites. Facilitated logistics for Patient Flow, Patient Registration, Information Technology and other key stakeholders.
- St. Marys Plastic Surgery / ER Kaizen. Outcomes include:
    - Reduction of ED supplies by 15%, and removal of Plastic Surgery supplies by 70%, with the establishment of a Surgery Clinic account for stocking
    - Alternate Level of Care (ALC) Enhancements and Improvements Kaizen- Pending additional data fields effective June 8, 2015 the Kaizen team continues work on their key indicators:

    - Reduction in user errors
    - Monthly testing improvements
    - Reduction in number of telephone calls to Patient Flow Manager
- Chemotherapy Kaizen outcomes included:
    - Improved current layout, decreased congestion (furniture, equipment, supplies, people), and improved work processes that impact patient privacy and the patient experience.
    - 5S and visual management of department.
    - Trialled new layout for patient care to improve flow and line of sight.

Chemotherapy Kaizen Team

- Coaching and Mentoring of Process Improvements - Cardio-Respiratory and Nursing processes, MIBI Patient Experience (nuclear medicine stress test regarding blood flow to heart), Surgical Ambulatory Care and Pre-Admit relocation, Patient Registration, Materials Management and St. Marys site 5S.
- Facilitation of Electronic Medication Administration Record/Bedside Medication Verification (eMAR/BMV) for Admit Same Day and inpatients of Surgical Services. Outcomes achieved include:
    - Nursing training on new process
    - Flagging of missed doses
    - Compliance auditing
    - Reduction of re-work and waste elimination
    - Installation of bedside computers and scanners to support electronic implementation
- SWLHIN Knowledge Transfer of Lean Best Practices with focus on sustainability and process improvement of 2013/14 Patient Flow initiatives. Outcomes achieved include:
    - Sustaining patient flow improvements between 2013 and 2014
    - 28% improvement in ED Admitted Length of Stay

Critical Care

Through a new partnership with Participation House, patients requiring Chronic Mechanical Ventilation will be able to transition from HPHA's Intensive Care Unit to a home environment; previously time to transfer to a special facility could exceed 2 years. Critical Care Unit staff and Respiratory Therapists will train Participation House staff to care for a patient. Community nursing and respiratory care are coordinated by the Community Care Access Centre.

Dialysis

- Introduction of 'composite' position between Dialysis and inpatient Medicine Unit (Stratford) to address common staffing issues and provide a continuity of care for these patients.
- Unit Action Council: Wheelchair project – Engaged Volunteers to ensure wheelchair availability at front entrance for dialysis patients to reduce incidence of late arrivals for scheduled times.

Emergency Services

- Participated in the TRanslating Emergency Knowledge for Kids (TREKK) national research project which provides on-Line standardized educational pediatric resources
- Conducted an annual review and development of ER Medical Directives
- Conducted 360˚ ER physician performance reviews
- Hosted a Trillium Gift of Life Network education session for the Emergency Department Committee
- Completion of Pediatric Advanced Life Support (PALS) certification update for all ER physicians
- Completion of Neonatal Resuscitation Program (NPR) for ER physicians
- Participated in Pediatrics Critical Care Day
- Journal Clubs and Consultants Round tables spearheaded by Dr. Anna Mayer, Stratford ER physician, which has been extended to include HPHA physicians
- Completion of recertification for all ER nurses in Triage, Defibrillation, Advanced Cardiac Life Support and the Emergency Nursing Certification Program
- Initiated Pediatric Assessment and Treatment education for ER nursing in 2014/15 that will continue in 2015-16
- Ongoing review and application of ER Process Optimization initiatives that advance Wait Time performance and support Patient Flow
- Participation in Mock Code Blue exercises as facilitated by physicians at all HPHA sites.
- Revision of the Cardio-Pulmonary Resuscitation Record (CPR) documentation and development of debriefing review protocol
- Completion of Level 4 Ebola training for ER physicians and nurses
- Development of Intubation Drug Lists
- Programmed Virtual Anaphylaxis Kits into ER Automatic Dispensing Cabinets (ADCs) for ease of access and to facilitate a quick patient care response
- Instituted quality review of all Stratford ER CTAS 1s (most urgent level of presentation in an ER) by Emergency Department Medical Committee
- Developed Code Stemi Order Set for Myocardial Infarctions (cardiac events)
- Instituted second-on-call Stratford ER physician accompaniment for non-ER transfers to tertiary centers (e.g. Critical Care Unit)
- Facilitated access to Geri-EM (geriatric emergency medicine) e-learning modules as an educational resource
- Conduct monthly Stratford ER physician and nursing education and team building sessions that are financed through the Stratford ER continuing medical Education funds

- Development of Management of Paediatric Asthma Order Set underway
- Participation in the development and implementation of the new Mental Health Protocol with Perth EMS and the Stratford Police Services to respond to and support individuals with mental health needs.

Interhospital Laboratory Partnership (IHLP)/HPHA Laboratories

- Increased the operating hours of the St. Marys site Lab and implemented call-back for robust 24/7 back-up of Stratford site Lab for greater supports to both patients and clinical personnel.
- Provision of cytopathology best practices enhanced through partnership between London Health Sciences Centre (LHSC) CytoPathology team/partners and Stratford site Cytology service stakeholders.
- Introduction of Influenza testing system provides better sensitivity and specificity than prior methodologies.
- Completion of Transportation of Dangerous Goods training across the 12 IHLP sites.
- Implementation of wireless glucose meters across IHLP.
- Development of an IHLP Emergency Blood Shortage Plan.
- Completion of full Competency program by IHLP Medical Lab Technologists and Assistants
- HPHA recognized by Cancer Care Ontario as the top performer for the performance indicator Pathology Post-Surgical Report Turnaround for Colorectal Cancer for the 2013/14 fiscal year and for exceeding the provincial annual improvement target.

Maternal Child

- Baby Friendly Initiatives and planning are proceeding with the goal of achieving Baby Friendly status in 3 years. Infant formula is now purchased rather than donated and utilized only when breast milk is not an option. All Maternal Child nursing staff have achieved Level 1 Breast Feeding certification and several have achieved Level 2.
- Staff provided labour and delivery experience and practice to AMGH Maternal Child staff.
- HPHA Obstetrical staff participated in a research study validating a new tool "Obstetrical Triage Acuity Scale" designed by LHSC. The acuity scale has been incorporated in the on-line documentation.

Medical Imaging

- Installation of state- of-the-art Imaging Room in St Marys.
- Carotid ultrasound audit resulting in updated technical protocols and interpretative guidelines.
- Code Blue enhancements with specific Imaging response team staff and procedural changes regarding nursing assistance and documentation.
- Facilitation of midwife access for booking obstetrical appointments.
- Expansion of evening hours for MRI.
- Revision of Imaging requisitions resulting in more relevant information and expedited request and booking processes.
- Enhancement of CT access and quality through increased roster of trained Technologists and appointment of a lead Technologist to build capacity in the department.
- In November 2014, HPHA celebrated the 10th anniversary of the Breast Assessment Centre which provides care to over 7,000 individuals annually.

Imaging at St. Marys Memorial Hospital Site

Medicine

Alliance Wide

- Venous Thromboembolism (VTE) Prophylaxis audit completed.

St. Marys Memorial Hospital Site

- Unit Action Council projects included:
    - Safety Steps Project: in alignment with HPHA Falls Prevention Program, non-slip socks are provided to decrease risk of falls for patients with no footwear or improper footwear
    - Wheelchair Roundup Project: identification of a specific storage location for wheelchairs and labeled foot rests for ease of access
    - Isolation Trays Project: isolation patients' meal trays are delivered first to ensure they receive a hot meal

Stratford General Hospital Site

- Enhanced Volunteer Services and development of a centrally located "Volunteer Board".
- 5 "S" project to organize storage of patient equipment using 'lean' principles.
- Purchase of vital signs equipment so that all isolation rooms/private rooms and each individual care provider have dedicated equipment.

Mental Health

Inpatient Unit

- Training in PIECES (**P**hysical, **I**ntellectual, and **E**motional health; maximizing **C**apabilities; **E**nvironment and **S**ocial and Support network) and Gentle Persuasive Approaches and have facilitated training of other healthcare staff.
- Pilot project with Alexandra Marine and General Hospital Emergency Department and Long Term Care homes to assess the impact of the readmission tool developed by the Behavioural Support Ontario (BSO) Enhanced Psychogeriatric Resource Consultants and the LTC BSO leads; the tool promotes discussion, communication and transfer of responsibility when patients are admitted to and discharged from hospitals.

- Development and implementation of a Recovery Plan tool to record client treatment goals and support patients on discharge.

Primary Care Nurse Practitioners

- Implementation of Ontario Telemedicine Network Primary Care Nurse Practitioner program, in partnership with Choices for Change, to support individuals in need of primary care and to reduce wait times in Emergency Department and improve chronic disease management and prevention.

Partnerships with Police

- Development of Mental Health Response Protocol between HPHA, Perth EMS and Stratford Police to provide safety and support to individuals requiring mental health and addictions care.
- Police Training - 4th annual three day training event with Stratford Police, Huron and Perth OPP and Wingham Police to support involvement with and support to individuals with mental health needs; a total to 200 officers trained to date.

Signing of the Mental Health Response Protocol

Huron Perth Seniors Mental Health and Addiction Response Team

- Kaizen event with Behavioural Support Ontario (BSO) Steering committee resulted in the development of the Readmission Tool for use in Huron Perth to support communication and transfer of information between 8 hospitals and 19 Long Term Care homes in Huron Perth.

Seniors Mental Health Program

- SWLHIN Funding received to develop Emergency Department Tracking report to alert the program when a registered patient presents to the Emergency Department should support be required.

Listowel Mental Health

- Implemented Mindfulness Group Therapy.

SWLHIN Crisis Benchmarking Working Group

- To be co-chaired by HPHA Program Director to establish the SWLHIN crisis service model and associated performance outcomes.

Nutrition and Food Services and Clinical Nutrition

- ESHA Food Processor system (nutrition labelling software) implemented that analyzes and evaluates patient menus and improves patient care.
- Value Stream Mapping exercise resulted in more effective, efficient and consistent processes to support patient nutrition. Allergy and special diet menus updated and core menu refreshed to accommodate for established guidelines for decreased sodium, increased protein and/or diabetic carbohydrate levels; diet, texture and allergy specification sheets created.
- Introduction of daily health and safety rounds by N&FS supervisors with discussion at daily Huddles.
- Introduction of weekly meal tray audits by N&FS Supervisors with the goal to minimize food waste.
- Revised Adult Total Parenteral Nutrition (TPN) Order Set to reflect best practice for Vitamin K administration.
- Improvements made to tray presentation for patient and café services.

Diabetes Education Program

- Collaboration with area Family Health Teams to ensure referrals screened and triaged to appropriate level of care, close to home, with shortest wait times in an effort to effectively manage diabetes and prevent secondary complications.
- Implementation of a reminder call system to reduce incidence of no shows and cancellations for Diabetes Education program.
- Implementation and analysis of an Experienced Based Design Questionnaire, in collaboration with Partnerships for Quality, in order to better understand and address barriers to and facilitators of equitable access and to ensure effectiveness of services provided.
- In partnership with community programs, provided 80 outreach events to 1500 participants throughout Huron and Perth Counties to ensure all individuals have access to education and to increase awareness of the importance of prevention.
- Hosted and participated in the “Diabetes Boot Camp” educational session to support best practice and clinical capacity; primary care community partners participated in event.
- Partnered with local Family Health Teams, South West Self-Management Program, Partnering for Quality, and numerous community programs to ensure equitable access and address identified gaps in service.

Pediatric Speech and Language Program (smallTALK)

- 548 referrals across eight Huron Perth hospital sites (5% increase over the previous year) with the majority of referrals being over 30 months of age; this shift to an older age is a result of more children being referred who are enrolled in full day early learning.
- Early identification strategies include the enhanced 18 month well baby visit (108 referrals from 10 Family Health Teams) and Calling All Three Year Olds (86 referrals), both of which are projects

with our community partners. Of the children referred and assessed, over 95% were recommended for some type of intervention.

- Implementation of a "No Wrong Door" (NWD) referral so that any early years program provider is able to directly refer to program; 16 referrals were received from community agencies between July and December. An additional 29 community front line providers have been trained in the NWD referral process.
- As a member of the Kids First Huron Perth Children's Services Early Literacy Network, smallTALK has developed a Baby Book Bundle for parents of newborns and will develop a distribution mechanism in cooperation with birthing hospitals and midwives.
- Distributed more than 190 board books at the Healthy Toddler Visit in Huron County.
- As a member of the Feeding Swallowing Working Group in the Thames Valley Region, a referral pathway from infants and children from birth to school age who present with feeding and/or swallowing issues has been developed; a distribution plan for primary care providers and other service providers will be developed.
- The Special Needs Strategy announced by the Ontario government (April 2014) is designed to enhance service experiences for Ontario families and youth. Locally, smallTALK participates on the planning development for both Service Coordination and Integrated Rehabilitation Services; one aspect of the planning will realign speech and language services for children to reduce waitlists for services and provide more seamless.

Pharmacy

- HPHA and AMGH were featured in a Canadian Healthcare Technology article titled *Telepharmacy supports eMAR and more, 24-7* featuring the implementation of Electronic Medication Administration Record /Bedside Medication Verification (BMV) and 24/7 Service in the Regional Pharmacy Model
- Ryan Itterman, Regional Director, Pharmacy Services awarded Canadian Society of Hospital Pharmacists Ontario Branch Innovative Information Technology Award for the project titled 'Implementation of a Paperless Pharmacy System with Visual Smartboard and Medication Order Processing Performance Measures in a Multi-Site, Multi-Organization Hospital Setting"
- Successful Accreditation Results for Managing Medication Standards
- Ontario College of Pharmacists 'Mock' hospital inspection completed at Stratford site in November 2014 with Clinton, St. Marys and Seaforth sites to be inspected in 2015/16.
- Ongoing management of medication shortages that have impacted hospitals and healthcare settings across Canada

Key Pharmacy Statistics

	Total for 2014/15	**% Change from 2013/14**	**Target**
Number of Medication Orders	192,111	Increase of 1.5%	N/A
Number of Medication Doses Dispensed	750,747	Increase of 11.8%	N/A
% of Medication Doses Dispensed from Automated Dispensing Cabinets	86.3%	Increase of 1.6%	Greater than 80%

Quality

- Development of Quality Assurance Department underway
- Development of HPHA Safety Framework underway
- Implementation of Root Cause Analysis software
- Development of Patient Safety Incident Review Framework underway
- Educator role and model refreshed to better meet the needs of the organization and current complement of Educators to be achieved in May 2015.
- Development of standardized training, resources and programming
- Development of Sepsis Algorithm and SBAR Communication Tool under way.

Rehabilitation

Seaforth Community Hospital Site

- Relocation of general rehabilitation beds to Seaforth site complemented by rehabilitative focus of Complex Continuing Care beds.
- Completion of "Day in the Life of" analyses for staff and patients.
- Refreshed service delivery model to promote active rehabilitation.

Rehabilitation Therapy Services

- Introduction of funded Physiotherapy Episodes of Care to support individuals (65 years and older; 19 years and younger) recently discharged from hospital and in need of physiotherapy directly related to the condition, illness or injury for which the person was hospitalized; also for individuals receiving Ontario Disability Support or Ontario Works programs. Processes will be incorporated in the delivery of inpatient services.
- Implementation of on-line documentation; computers on wheels and laptops support process.
- Realignment of rehab staffing resources in concert with HPHA Bed Realignment effective December 2014; realignment being evaluated to ensure effectiveness.
- Speech and Language Pathology provided education to nursing staff for implementation of swallowing screening for stroke patients.

Stroke Program

- Ongoing participation in SWLHIN initiative "Regionalization of Stroke Care: Capacity Assessment and Best Practices, Phase One" designed to provide directional recommendations to the SWLHIN Board of Directors regarding the preferred future state of stroke care.
- The Huron Perth Community Stroke Rehab Team, and Thames Valley and Grey Bruce teams are participating in a clinical research study funded by the Canadian Partnership for Stroke Recovery and the Heart and Stroke Foundation of Canada. The study will evaluate the cost-effectiveness and clinical-effectiveness of delivering speech-language pathology services via videoconferencing by measuring program, cost and clinical outcomes before and after implementation of the technology.
- Establishment of an 8 bed Integrated Stroke Unit on the Medicine unit (3 acute, 5 Rehab beds) effective December 2014.
- Implementation of Stroke Quality Based Procedures (i.e. National Institute of Health Stroke Scale, Swallowing Screen, AlphaFIM scores).
- Hosted a Family Practice physician workshop on Transient Ischemic Strokes and Stroke Best Practice Guidelines October 2014,
- Hosted a Telestroke education session for physicians and allied health care professionals in December 2014.

Surgical Program

In-Patient Surgery

- Revised Pre-admit Hips and Knees Patient Handbooks to ensure consistent patient information.
- Development of a Patient /Family Unit Orientation Pamphlet to complement the HPHA Patient & Family Handbook and ensure a comfortable patient and family experience.
- Needs and current state analyses underway for staff orientation and skills update; education sessions and resource materials will subsequently be developed for the unit.
- Bedside Whiteboard utilization – 94%

Orthopedic Clinics

- Joint initiative with Medical Imaging, Patient Registration and surgeons to reduce wait times for appointments and consults and streamline the process for having x-rays completed prior to visit.

Surgical Services

- Performance indicators include:
    - Total Hips and Knees: target 422, 435 completed
    - Cataracts: 959 target, 946 completed. Service consolidated to the Clinton site effective May 2014
- Unit Action Council initiatives included:
    - Improved way-finding signage to new Surgical Ambulatory and Pre Admit Clinics.
    - Piloting an Endoscopy-specific Patient Satisfaction survey.
    - Successfully relocated Surgical Ambulatory and Pre Admit Clinics from West building to East Building. Stratford site Surgical Services consolidated to one area with improved flow of patients, supplies and equipment and improved patients experience.

PATIENT VOLUMES

Department/Program	Service	2013/14 Volume	2014/15 Volume
Cancer Care / Chemotherapy	Oncology Visits	1,177	1,083
Complex Continuing Care (CCC) / Rehabilitation	Complex Continuing Care Patient Days	11,168	9,766
	Rehabilitation Patient Days	5,009	4,588
	Occupational Therapy Attendance Days	8,103	9,610
	Physiotherapy Attendance Days	24,026	23,979
Emergency	Emergency Department Visits	55,469	56,615
Imaging	Bone Density Scans	2,385	1,164
	CT Scans	10,809	11,202
	Mammography Exams	6,237	5,971
	MRI Scans	4,017	4,690
	Nuclear Medicine Exams	3,722	2,677
	Ultrasound Exams	22,424	16,216
	X-Rays	42,262	28,645
Laboratory	Biochemistry Tests	531,320	615,150
	Blood Bank Tests	15,293	18,327
	Cytology Tests	5,298	Included with Bio chemistry
	Hematology Tests	78,585	74,504
	Histology Tests	67,768	61,813
	Microbiology Tests	117,256	86,186
Maternal/Child	Babies Delivered	1,072	1,127
Inpatients	All Acute Inpatients	8,072	8,107
Medicine Inpatients	Acute Medicine Inpatients (3,318 inpatients in 2011/12)	3,242	2,097
Mental Health	Community Mental Health Services Contacts (Outpatient)	26,340	23,714
	Mental Health Patient Days (Inpatient)	4,338	4,462
Stroke Prevention	Community Stroke Rehab Team Clients	200	270
	Secondary Prevention Clinic for Transient Ischemic Attack (TIA) /non-disabling stroke clients	210	259
Surgery	Inpatient Surgeries	2,206	2,150
	Day Surgeries	10,769	11,530
Renal Program	Dialysis visits	3,806	4,262

Huron Perth Healthcare Alliance

About Us

Huron Perth Healthcare Alliance
Governance Listing
2014/2015

Board of Directors

Chair - Mary Atkinson
Vice Chair - John Wolfe
Treasurer - Rena Spevack
Past Chair - Dick Burgess

Directors
Lynn Girard
Bob Gulliford
Alex Herpers*
Sheila Morton
Olga Palmer
Colin Pearson*
Bill Scott
Leslie Showers

Ex-Officio Members
Chief of Staff – Dr. Laurel Moore
President of Medical Staff - Dr. Brian Hughes
Clinton Site Chief - Dr. Daniel Ooi
St. Marys Site Chief – Dr. Chuck Gatfield
Seaforth Site Chief - Dr. Heather Percival
Chief Nursing Officer - Donnalene Tuer-Hodes
President & Chief Executive Officer - Andrew Williams

**Colin Pearson resigned from the Board in December 2014.*
**Alex Herpers appointed (March 2015) to complete the term left vacant by the resignation of Colin Pearson*

Local Advisory Committees

Clinton	**St. Marys**
Greg Stewart, Chair	Elizabeth Hill, Chair
Marie Bergsma	Larry Beattie
Janice Cosgrove	Mark Dickey
Eugene Dufour	Lynn Hainer
Ann MacLean	Kim Ross Jones
	Stacey MacNeil
Seaforth	**Stratford**
Tim Cunningham, Chair	Michael McKenna, Chair
Angela Kyveris	Jack Alblas
Ron Lavoie	Phil Buxton
Kerri Ann O'Rourke	Sam Cherian
Kathy Sebastian	Tracy Forster Ivanyshyn
Frances Teatero	Anne Lake
	Lynne McDonald
	Bob McTavish
	Mary McTavish
	Rick Orr
	Leanne Perreault
	Mary-Lynn Priestap
	Richard Seip

Huron Perth Healthcare Alliance

Medical Leadership

Dr. Laurel Moore
Chief of Staff

Dr. Daniel Ooi
Site Chief, Clinton

Dr. Chuck Gatfield
Site Chief, St. Marys

Dr. Heather Percival
Site Chief, Seaforth

Dr. Brian Hughes
President, Stratford Medical Staff

Dr. Kirsten Blaine
Chief, Paediatrics

Dr. Malcolm Carlson
Medical Program Director, Laboratory Medicine

Dr. Shawn Edwards
Chief, Family Medicine

Dr. Gregg Hancock
Medical Program Director, Maternal/Child

Dr. Lynda Harker
Medical Program Director, Medical Imaging

Dr. Peter Hodes
Medical Program Director, Continuing Care/Rehab

Dr. Kevin Lefebvre
Medical Program Director, Surgery

Dr. Miriam Mann
Medical Program Director, Emergency Medicine

Dr. Ramandeep Chahal
Medical Program Director, Mental Health

Dr. Collan Simmons
Chief, Anaesthesia

Vacant
Medical Program Director, Medicine

Professional Staff
2015-2015

Abdullah	Dr. Rukhsana	**Furst**	Dr. Ian	**Lohmann**	Dr. Reinhard	**Sawka**	Dr. Barry
Abushawish	Dr. Ghassan	**Fuss**	Dr. Jeffrey	**Longfield**	Danielle	**Schiedel**	Dr. Jon
Ahmed	Dr. M. Sayeed	**Gasparelli**	Dr. Rudy	**Lussier**	Dr. Paul	**Schieldrop**	Dr. Phil
Ahmed	Dr. Belal	**Gatfield**	Dr. Chuck	**Lynes**	Beth	**Schmitz**	Dr. Carmen
Aitken	Dr. Terry	**Gavsie**	Dr. Adam	**MacIsaac**	Dr. Michael	**Scott**	Dr. Ellis
Al-Janabi	Dr. Hasan	**Ghomeshi**	Dr. Hooman	**Maciver**	Dr. Angus	**Seevaratnam**	Dr. Loretta
Al-Rawi	Dr. Firas	**Gillett**	Dr. Michael	**MacNaughton**	Dr. Janis	**Shah**	Dr. Keyur
Anand	Dr. Parvesh	**Gilmour**	Dr. Kim	**Mann**	Dr. Miriam	**Shepherd**	Dr. Carolin
Andros	Dr. Phil	**Gobburu**	Dr. Ram	**Mansour**	Dr. Ben	**Simmons**	Dr. Collan
Anstett	Dr. Danielle	**Goela**	Dr. Aashish	**Marchie**	Dr. Augustine	**Sischek**	Dr. Stephanie
Appavoo	Dr. Sam	**Gonser**	Dr. Randy	**Marshall**	Dr. Marilyn	**Sivananthan**	Dr. Shankar
Asuncion	Evelyn	**Gopidasan**	Dr. Balaji	**Marshall**	Dr. Shaun	**Sjaarda**	Amy
Baici	Charlotte	**Gorodzinsky**	Dr. Fabian	**Martin**	Dr. Anne	**Smith**	Dr. Marianne (Anna J.M.)
Bains	Dr. Richard	**Gott**	Dr. William	**Martin**	Dr. Barry	**Smith**	Dr. Sharyn
Bandey	Dr. Jason	**Goudy**	Catherine	**Martin**	Dr. Robert	**Smith**	Dr. Pamela
Banerjee	Dr. Jay	**Graham**	Jasmine	**Mayer**	Dr. Anna	**Snider**	Dr. Stacey
Barry	Dr. Catherine	**Gray**	Dr. Andrew	**Mazzetti**	Dr. Ian	**Sottosanti**	Dr. Maria
Bartlett	Dr. Paul	**Gushulak**	Dr. Katherine	**McArthur**	Dr. James	**Soulliere**	Cynthia
Beattie	Dr. Sean	**Guy**	Dr. James	**McCune**	Dr. Marcie	**Spacek**	Dr. Kim
Bedi	Dr. Vishal	**Haffner**	Dr. Thomas	**McIntosh**	Zoe	**Spacek**	Dr. Zdenek Stan
Birch	Dr. Corey	**Hancock**	Dr. Gregg	**Mehrain**	Dr. Shirin	**Sparrow**	Dr. Keith
Biswas	Dr. Robert	**Hardwick**	Dr. James	**Minnis**	Dr. Shantel	**Spiers**	Dr. John
Blaine	Dr. Sean	**Harker**	Dr. Lynda	**Mitchell**	Dr. Nadine	**Squires**	Dr. Philip
Blaine	Dr. Kirsten	**Hasegawa**	Dr. Brian	**Mnyusiwalla**	Dr. Anisa	**Steele**	Dr. Liora
Bloch	Dr. Christine	**Hay**	Dr. John Keith	**Montiveros**	Dr. Carolina	**Stewart**	Dr. Gregory
Bokhout	Dr. Maarten	**Heaton**	Dr. Graham	**Moore**	Dr. Laurel	**Sumar**	Dr. Irram
Bradshaw	Rebekah	**Heisz**	Dr. Erin	**Mota**	Dr. Jorge	**Sun**	Dr. Dongmei
Branson	Dr. Richard	**Hillyer**	Dr. Cheryl	**Mott**	Dr. Dan	**Sylvester**	Dr. Heather
Brooks	Dr. Peter	**Hiscock**	Dr. Susan	**Murad**	Dr, Khulood	**Tak**	Dr. Auzair
Brown	Dr. Amanda	**Ho**	Dr. Anthony	**Murphy**	Dr. David	**Tamblyn**	Dr. David
Bucur	Dr. Mirela	**Hodes**	Dr. Peter	**Mwamwenda**	Dr. Essie	**Tamblyn**	Dr. Susan
Bukala	Dr. Bernard	**Hook**	Dr. Ken	**Myers**	Dr. Mallory	**Tejpar**	Dr. Shamim
Butler	Dr. R. Jonathan	**House**	Dr. Andrew	**Nafziger**	Jill	**Thomas**	Dr. Eric
Caines	Dr. Angela	**Hughes**	Dr. Brian	**Narayan**	Dr. Shanil	**Thomassin**	Dr. Marie-Claire
Cameron-Vendrig	Dr. Julia	**Hurwitz**	Dr. Joel	**Nascu**	Dr. Patricia	**Thompson**	Dr. David
Card	Dr. Brad	**Hussey**	Dr. Andrew	**Neilsen**	Dr. Philip	**Thompson**	Dr. Doug
Carlson	Dr. Malcolm	**Inegbu**	Dr. Ernest	**Nguyen**	Dr. Hankie	**Thompson**	Dr. Caitlin
Carrier	Dr. (Heather) Noelle	**Janzen**	Dr. Dennis	**Nichols**	Dr. Bruce	**Thomson**	Dr. Benjamin
Carstensen	Dr. H. Michael	**Jewson**	Dr. Fred	**Nicholson**	Dr. Janis	**Thornton**	Dr. Tanya

Chahal	Dr. Ramandeep
Chakrabarty	Dr. Lina
Chan	Dr. Cynthia
Chehadi	Dr. Waleed
Chen	Dr. Jean
Cho	Dr. Stephen
Chopra	Dr. Anurag
Chung	Dr. Sing
Ciavarro	Dr. Cesare
Cleto	Dr. Luis
Clifford	Dr. John
Clin	Madeleine
Colgate	Mhairi
Conlon	Dr. Patrick
Connor	Sabrina
Cowing	Dr. Barbara
Cruz	Dr. Norman
Curtis	Dr. Michael
Danby	Dr. Michelle
Datema	Dr. Jason
Davis	Dr. Robert
Dawood	Dr. Ashraf
Deck	Dr. Gregory
Dhillon	Dr. Yadwinder
Diamond	Dr. Leslie
Diotallevi	Dr. Mark
Drake	Dr. David
Drake	Dr. Thomas
Edwards	Dr. Shawn
Eelman (Heikoop)	Sarah
Eickmeier	Dr. Dan
Ennett	Dr. Joseph
Eshaghian	Dr. Farhang
Espinet	Natalie
Feltham	Dr. Matt
Johnson	Kari
Johnston	Dr. Peter
Johnston	Dr. Bill
Jolly	Dr. Umjeet
Kahn	Dr. Michael
Kalirai	Dr. Bill
Kalos (Szirmay-Kalos)	Dr. Tibor
Kara	Dr. Alnoor
Keelan	Caitlin
Kelly	Dr. Emily
Kelly	Dr. Erin
Kenyon	Dr. Greg
Khan	Dr. Razi
Kim	Dr. Harold
Kipp	Catherine
Klassen	Dr. Miriam
Kluz	Dr. Agnieszka
Kluz	Dr. Andrzej
Komorowski	Dr. Laurie
Korvemaker	Dr. Michelle
Krishna	Dr. Lalit
Kurtz	Dr. Veronika
Lam	Dr. Janice
Lamson	Mianh
Langford	Dr. Grace
Lannigan	Dr. Robert
Lappano	Dr. Sergio
Lawrence	Julie Ann
Leddy	Sue
Lee	Dr. Donald
Lefebvre	Dr. Kevin
Lenny	Dr. Adam
Leung	Dr. Andrew
Levencrown	Amanda
Li	Dr. Yu
Nicholson	Dr. Larry
Nizami	Dr. Tariq
Noël	Dr. Daniel
O'Brien	Dr. Christopher
O'Neill	Dr. Craig
Ooi	Dr. Daniel
Oraif	Dr. Ayman
Pabani	Dr. Wahid
Pankarican	Dr. Josif
Papastergiou	Dr. Thanos
Parratt	Dr. David
Parsons	Dr. G. Wayne
Patel	Dr. Nirav
Patel	Dr. Amit
Pellizzari	Dr. Michael
Percival	Dr. Heather
Peters	Dr. Leanne
Pierce	Laura
Pook	Dr. Benjamin
Pook	Dr. John
Pototschnik	Dr. Ralph
Potts	Dr. Jayson
Powell	Dr. Mark
Prout	Dr. Andrew
Purushotham	Dr. Hemavathy
Radigan	Dr. Jordan
Rehsia	Dr. Sachdeep
Riesberry	Dr. Martha
Rooyakkers	Dr. Dan
Rouse	Dr. Tyler
Rowe-Mahon	Dr. P. Elaine
Rustad	Dr. Clare
Salo	Dr. Rosaline
Salsbury	Dr. Peter
Sandhu	Dr. Amindeep
Tinits	Dr. Peter
Tokarewicz	Dr. Alexander
Tomlinson	Dr. Bruce
Tomlinson	Dr. Donna
Trevail	Dr. Michael
Troster	Dr. Michael
Tsafnat	Dr. Tamar
Turner	Dr. Dawn
Ubaidat	Dr. Manaf
Uniac	Dr. Patricia
Urbain	Dr. Jean-Luc Claude
Van	Dr. Ngoc Binh
Van Boekel	Dr. Trish
Van Walraven	Dr. Art
VanDam	Dr. Darren
Verberne	Cate
Vilos	Dr. Angelo
Vora	Dr. Parag
Waanders	Agnes
Walker	Dr. J. Robert
Walker	Dr. Jonathan Tristan
Watts	Dr. Michael
Weir	Dr. Paul
Wells	Dr. Malcolm
Whitmore	Dr. Nancy
Wickett	Dr. Robert
Wilkinson	Dr. Mark
Williams	Dr. David
Wilson	Dr. Tania
Wilts	Susan
Wong	Dr. Jorge
Xi	Dr. Wang
Yeung	Dr. Alison
Yohanna	Dr. Seychelle
Zawahir	Dr. Mohamed
Zhao	Dr. Ying

HURON PERTH HEALTHCARE ALLIANCE
Organizational Chart – June 2015

HPHA
HURON PERTH HEALTHCARE ALLIANCE

- Board Committees
- Foundations
- Auxiliaries/Volunteers

Board of Directors

- **President & Chief Executive Officer** — **Andrew Williams**
- **Chief of Staff** — **Dr. Laurel Moore**
- **Professional Staff**
- **Medical Advisory Committee**

Vice President, Partnerships & Patient Experience — **Anne Campbell**

- Manager, Emergency Services — **VACANT**
- Manager, CCU & Specialty Services — **Marta Andrekovic**
- Program Director, ER, CCU & Specialty Services — **Shirley Veenendaal**
- Manager, Peri-Operative Services & CPD — **Kim Holmes**
- Manager, Inpatient Surgery & Surgical Clinics, SGH — **Michelle Scime-Summers**
- Manager, Maternal Child — **VACANT**
- Program Director, Surgical Services & Maternal Child — **Donnalene Tuer Hodes**
- Corporate Lead, Professional Practice — **Dianne Gaffney**
- Manager, Medicine CPH, SMMH — **Jane Rundle**
- Manager, District Stroke Centre — **Ellen Richards**
- Manager, Patient Flow — **Leslie Brown**
- Program Director, Medicine, Stroke — **Kathie Cuerden**
- Manager, Medicine & Medical Clinics, SGH — **Bonita Thompson**
- Manager, Corporate Planning — **Brenda Straus**

Chief Nursing Executive — **Donnalene Tuer Hodes**

Vice President, Quality & Clinical Services — **Mary Cardinal**

- Manager, Huron Perth Diabetes Education — **Ann Watt**
- Director, Nutrition & Food Services — **Jane Graul**
- Manager, HPHA Laboratories — **Robert Scheuermann**
- Program Director, Diagnostic Services — **Graeme Johnston**
- Manager, Medical Imaging — **Diane Smith**
- Manager, CCC & Rehabilitation — **Mary Helen Dale**
- Program Director, Complex Continuing Care, Mental Health & Rehabilitation — **Penny Cardno**
- Manager, Preschool Speech & Language — **Mary Louise LaBerge**
- Manager, Quality & Risk — **Debbie Turner**
- Manager, Inpatient Mental Health & Fund 1 Programs — **Kally Persaud**
- Regional Director, Pharmacy Services — **Ryan Itterman**
- Manager, Outpatient Mental Health — **Michele Pardo**

Vice President, Performance & Fiscal Health — **Ken Haworth**

- Manager, Patient Registration — **Carrie Dingman**
- Director, Decision Support & Financial Planning — **Iris Malig**
- Manager, Facilities Management — **VACANT**
- Director, Facilities Management — **Doug Biesinger**
- Manager, Finance — **Jason Lott**
- Manager, Health Information — **Linda Lauzon**
- Director, Information Technology — **John Brennan**
- Director, Materials Management — **Paige Cable**
- Supervisor, Payroll — **Luann Strasser**

Vice President, People & Workplace Health — **Marie Ormerod**

- Human Resources
- Communications
- Corporate Training Specialist — **Courtney Middleton**
- Director, Housekeeping & Linen Services — **Brenda Smellie**
- Corporate Lead, Volunteer Services — **Cheryl Hunt**
- Infection Prevention & Control
- Workplace Safety & Occupational Health
- Corporate Lead, Medical Staff — **Laurie Roberts**