Huron Perth Healthcare Alliance

# ANNUAL REPORT 2017/2018

HURON PERTH HEALTHCARE ALLIANCE

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

VALUES | Compassion, Accountability, Integrity

Huron Perth Healthcare Alliance

# ANNUAL REPORT

2017/2018

## TABLE OF CONTENTS

# RESOURCES & AUDIT REPORT

2017/2018

# *Huron Perth Healthcare Alliance*

## *Resources & Audit Committee Report*

For the fiscal year ending March 31, 2018, the Huron Perth Healthcare Alliance has incurred an operating surplus, with regard to day to day operations, of $0.7 million or 0.50% of its $139 million operating budget. The operating surplus is a result of increased Ministry of Health & Long-Term Care/South West Local Health Integration Network funding for all four sites and energy conservation initiatives.

In 2017/18, the Alliance invested approximately $15.5 million in equipment and building related projects which allows the Alliance to continue to provide quality services in appropriate facilities. These projects include the finalization of the West building redevelopment, completion of energy conservation initiatives as well as replacement of the Computed Tomography (CT) machine. Over $2.1 million in funding from the local hospitals foundations was received through their hard work and commitment to assist with capital expenditures.

In looking forward to the 2018/2019 fiscal year, the Ministry of Health Long-Term Care released funding envelopes prior to the June 2018 election which resulted in the HPHA receiving approximately $2.0 million in new operating funding. The Alliance's operating plans for the 2018/19 fiscal year include a surplus operating position of $1.1 million and approximately $10.4 million in capital investment for facilities and equipment. This investment is required to refresh critical patient care equipment and ensure facilities meet the ongoing needs of serving our patients. Once again the Alliance will look to the hospitals' foundations and their exceptional work in raising the funds necessary to assist in capital purchases.

In closing, I wish to express my appreciation to the Resources & Audit 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,

Jack Alblas, Chair
Resources & Audit Committee

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

**Background**

The Huron Perth Healthcare Alliance (HPHA) entered into an amended one year Hospital Service Accountability Agreement (H-SAA) with the South West Local Health Integration Network (SWLHIN) in April 2017, which identifies the funding available to the Alliance in return for providing specific service volumes and meeting specific performance targets for the fiscal year.

The Alliance's combined 2017/18 year end operating surplus of revenues over expenses for day to day operations totalled $0.7 million or 0.50% of the Alliance's overall $139 million operating budget.

**Financial Overview 2017/2018**

The Alliance ended the year with an operating surplus of $0.7 million and $5.5 million in cash with an adjusted current ratio of 0.67

The Alliance invested heavily in 2017/18 into both equipment and facilities to ensure effective healthcare space is maintained and modern efficient equipment is available for patient care. HPHA implemented a co-generation unit to provide electricity and heat to the Stratford site and recognize substantial savings in utility costs. Annualized savings of approx. $500k are expected.

Capital investments total for both equipment and facilities were $15.5 million, of which, a substantial portion was funded by the hard work of local foundations and auxiliaries. Investments in medical and general equipment totalled $3.4 million, and investments in facilities totalled $12.1 million.

The Alliance had a number of ongoing and completed capital projects in 2017/18 including the completion of the West building redevelopment, final bed reallocations within the Stratford site relating to the Integrated Stroke Unit (ISU) and the replacement of the Computed Tomography (CT) unit.

Through 2017/18 fiscal year the HPHA focussed on finalizing its multi-year strategic plan entitled "Commitments to our Communities" which will guide future activities and investment within HPHA over the next 3 to 5 years.

**Fiscal H-SAA Indicator Performance**

The Alliance tracks several key performance indicators related to both our H-SAA and internally identified indicators.

The HPHA financial standards identified in our performance indicators for 2017/18:

- 0.50 % operating margin exceeded the 0.0% H-SAA target
- 0.67 adjusted current ratio exceeded the H-SAA standard

**The Future**

The Alliance continues to operate in a weak working capital and cash position and will be focussing efforts on improving these metrics, while at the same time, attempting to improve access to specific services such as hip and knee surgeries, and invest where needed in capital equipment and specific facility needs. Operationally, the Alliance will be focussing on creating operating surpluses of approximately 1.5% of its operating revenues to meet capital requirements, and to slowly grow working capital.

New funding was released in the 2018/19 fiscal year which has increased funding for all hospitals by a minimum 2%. HPHA received approximately $2.0 million in new operating funding to assist with inflationary and other operating pressures. This increase is welcomed to assist HPHA in generating that required operating surplus noted above. Future years funding after 2018/19 is unknown.

Andrew Williams,
President & Chief Executive Officer

Ken Haworth,
Vice President & Chief Financial Executive

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 7, 2018.

Management works with the Board of Directors to carry out its responsibility for the financial statements principally through the Resources & Audit Committee. Voting membership of this committee is comprised of outside volunteers. The Resources & Audit Committee meets with management, and the external auditors to review any significant accounting matters, and discuss the results of audit examinations. The 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
President & Chief Executive Officer

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

# Huron Perth Healthcare Alliance

**Combined financial statements**
**March 31, 2018**


Building a better working world

# 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, 2018, 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, 2018, 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 7, 2018

Huron Perth Healthcare Alliance

# Combined statement of financial position

As at March 31

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash | **5,531,744** | 5,552,564 |
| Accounts receivable *[note 3 and 13]* | **4,422,829** | 4,321,204 |
| Grant receivable | **42,034** | — |
| Inventories *[note 4]* | **1,852,531** | 1,873,161 |
| Prepaid expenses | **1,086,018** | 988,417 |
| **Total current assets** | **12,935,156** | 12,735,346 |
| Long-term investments *[note 5]* | **460,233** | 460,233 |
| Grant receivable | **—** | 1,050,000 |
| Property and equipment, net *[note 6]* | **95,309,327** | 88,347,135 |
| | **108,704,716** | 102,592,714 |
| **Liabilities and net assets** | | |
| **Current** | | |
| Accounts payable and accrued liabilities *[note 15]* | **10,417,022** | 10,142,221 |
| Accrued salaries and wages | **7,579,244** | 7,205,034 |
| Current portion of post-employment benefits *[note 8[b]]* | **567,300** | 513,200 |
| Deferred contributions, expenses of future periods *[note 10]* | **324,793** | 180,981 |
| Demand loans and current portion of term loans *[note 7]* | **6,917,499** | 4,870,501 |
| **Total current liabilities** | **25,805,858** | 22,911,937 |
| Term loan *[note 7]* | **5,358,918** | 1,864,418 |
| Post-employment benefits *[note 8[b]]* | **8,452,200** | 8,351,100 |
| Deferred contributions, capital *[note 9]* | **63,881,588** | 63,425,652 |
| **Total liabilities** | **103,498,564** | 96,553,107 |
| Commitments and contingencies *[note 12]* | | |
| **Net assets** | | |
| Endowments *[note 11]* | **119,719** | 119,719 |
| Unrestricted | **5,086,433** | 5,919,888 |
| **Total net assets** | **5,206,152** | 6,039,607 |
| | **108,704,716** | 102,592,714 |

*See accompanying notes*

On behalf of the Board:

Board Chair

Treasurer

Huron Perth Healthcare Alliance

# Combined statement of changes in net assets

Year ended March 31

| | 2018 | | | 2017 |
|---|---|---|---|---|
| | Endowments | Unrestricted | Total | Total |
| | $ | $ | $ | $ |
| | *[note 11]* | | | |
| **Net assets, beginning of year** | **119,719** | **5,919,888** | **6,039,607** | 5,070,996 |
| Excess (deficiency) of revenue over expenses for the year | | **(833,455)** | **(833,455)** | 968,611 |
| **Net assets, end of year** | **119,719** | **5,086,433** | **5,206,152** | 6,039,607 |

*See accompanying notes*

Huron Perth Healthcare Alliance

# Combined statement of operations

Year ended March 31

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| **Revenue** | | |
| Ministry of Health and Long-Term Care / South West Local Health Integration Network/ Cancer Care Ontario funding | **111,908,680** | 109,014,493 |
| In-patient services | **250,466** | 406,813 |
| Out-patient services | **13,044,809** | 12,592,050 |
| Preferred accommodation | **745,058** | 714,637 |
| Chronic co-payment | **164,811** | 81,321 |
| Other revenue *[note 5]* | **10,205,355** | 9,912,206 |
| Unrestricted donations and bequests | **111,758** | 161,369 |
| Amortization of deferred contributions, capital – equipment | **2,468,900** | 2,899,761 |
| | **138,899,837** | 135,782,650 |
| **Expenses** | | |
| Salaries and wages | **67,548,059** | 64,020,639 |
| Medical staff remuneration | **16,264,470** | 16,080,731 |
| Employee benefits | **19,674,945** | 19,606,346 |
| Supplies and other expenses | **22,122,291** | 22,025,198 |
| Medical and surgical supplies | **4,993,038** | 4,642,844 |
| Drugs | **4,283,900** | 3,237,575 |
| Amortization of equipment | **3,402,504** | 3,787,531 |
| Interest – non-building *[note 7]* | **18,641** | 19,924 |
| Net gain on disposal of equipment | **(108,748)** | — |
| | **138,199,100** | 133,420,788 |
| Excess of revenue over expenses before the following | **700,737** | 2,361,862 |
| Amortization of deferred contributions, capital – buildings and land improvements | **3,745,926** | 3,689,200 |
| Amortization of buildings and land improvements | **(5,105,990)** | (4,996,366) |
| Interest expense *[note 7]* | **(174,128)** | (86,085) |
| | **(1,534,192)** | (1,393,251) |
| **Excess (deficiency) of revenue over expenses for the year** | **(833,455)** | 968,611 |

*See accompanying notes*

Huron Perth Healthcare Alliance

# Combined statement of cash flows

Year ended March 31

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Operating activities** | | |
| Excess (deficiency) of revenue over expenses for the year | **(833,455)** | 968,611 |
| Add (deduct) items not involving cash | | |
| Amortization of equipment | **3,402,504** | 3,787,531 |
| Amortization of buildings and land improvements | **5,105,990** | 4,996,366 |
| Net gain on disposal of equipment | **(108,748)** | — |
| Amortization of deferred contributions, capital – equipment | **(2,468,900)** | (2,899,761) |
| Amortization of deferred contributions, capital – buildings and land improvements | **(3,745,926)** | (3,689,200) |
| Deferred contributions – operating | **—** | (60,256) |
| Post-employment benefits | **155,200** | 294,000 |
| Increase in long-term investment | **—** | (175,966) |
| | **1,506,665** | 3,221,325 |
| Net change in non-cash working capital balances related to operations *[note 14]* | **572,192** | 1,843,794 |
| **Cash provided by operating activities** | **2,078,857** | 5,065,119 |
| **Capital activities** | | |
| Purchase of property and equipment | **(15,503,738)** | (8,832,981) |
| Proceeds on disposal of property and equipment | **141,800** | — |
| **Cash used in capital activities** | **(15,361,938)** | (8,832,981) |
| **Financing activities** | | |
| Proceeds of demand loan | **4,347,999** | 3,132,500 |
| Proceeds of term loan | **3,130,000** | — |
| Repayment of demand loan | **(1,936,500)** | (971,739) |
| Repayment of term loans | **—** | (144,000) |
| Contributions received related to capital | **7,720,762** | 4,896,487 |
| **Cash provided by financing activities** | **13,262,261** | 6,913,248 |
| **Net increase (decrease) in cash during the year** | **(20,820)** | 3,145,386 |
| Cash, beginning of year | **5,552,564** | 2,407,178 |
| **Cash, end of year** | **5,531,744** | 5,552,564 |

*See accompanying notes*

Huron Perth Healthcare Alliance

# Notes to combined financial statements

March 31, 2018

## 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 ["MoHLTC"] and Cancer Care Ontario ["CCO"]. 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 surplus/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 surplus/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.

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.

# Notes to combined financial statements

March 31, 2018

## 2. Summary of significant accounting policies

These combined financial statements are prepared in accordance with the *CPA Canada Public Sector* ["PS"] *Accounting 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 that, 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 combined 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 initially deferred when recorded in the accounts 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 initially 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 is 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.

# Notes to combined financial statements

March 31, 2018

### [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 Hospitals 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 following estimated useful lives of the assets:

| | |
|---|---|
| **Tangible** | |
| Land improvements | 10 – 40 years |
| Buildings | 10 – 50 years |
| Furnishings and equipment | 3 – 25 years |
| Computer hardware | 3 – 5 years |
| **Intangible** | |
| Computer software | 3 – 5 years |

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, their carrying amounts are written down to residual value.

### [f] Contributed materials and services

Volunteers contribute a significant amount of time each year. Due to the difficulty of determining the fair value, these contributed services are not recognized or disclosed in the combined financial statements and related notes. Contributed materials are recognized in the combined financial statements at their fair market value if the fair value can be reasonably estimated.

# Notes to combined financial statements

March 31, 2018

### [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 active employees, which is equal to 12.36 years.

### [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 or losses

Remeasurement gains or losses are reported according to their nature, including changes in market value for derivatives, portfolio investments in equity instruments and financial instruments that have been designated to the fair value category. Also included are gains or losses in foreign exchange for items denominated in a foreign currency. As at March 31, 2018, there was no change in the accumulative deficiency of revenues over expenses for the fair value changes or foreign currency translation. Therefore, the statement of remeasurement gains and losses has not been disclosed.

# Notes to combined financial statements

March 31, 2018

### [k] Change in accounting policy

During the year, the Alliance adopted the new accounting standards PS 2200, *Related Party Disclosures*, and PS 3420, *Inter-entity Transactions*. These new standards are effective for fiscal years beginning on or after April 1, 2017. PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The new accounting standards were applied on a prospective basis and did not have any impact on the combined financial statements.

## 3. Accounts receivable

Accounts receivable consist of the following:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Ministry of Health and Long-Term Care / South West Local Health Integration Network/ Cancer Care Ontario funding | **477,254** | 249,721 |
| Insurers and patients | **1,582,158** | 1,608,758 |
| Other | **2,658,917** | 2,757,425 |
| | **4,718,329** | 4,615,904 |
| Less allowance for doubtful accounts | **295,500** | 294,700 |
| | **4,422,829** | 4,321,204 |

## 4. Inventories

During the year, the Alliance expensed $7,616,104 [2017 – $6,402,166] of inventories. There were no write-downs of inventories to net realizable value or any reversals of any write-downs during the year or prior year.

## 5. Long-term investments

Long-term investments consist of the following:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Guaranteed investment certificate | **119,719** | 119,719 |
| Horizon ProResp Inc. | **340,514** | 340,514 |
| | **460,233** | 460,233 |

# Notes to combined financial statements

March 31, 2018

**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. 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.

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Common share investment – 50% of common share capital | **55,657** | 55,657 |
| Share of income since incorporation | **284,857** | 284,857 |
| | **340,514** | 340,514 |

Management fees in the amount of $314,000 [2017 – $344,000] from Horizon ProResp Inc. have been recorded as other revenue. Transactions are in the normal course of business and recorded at the exchange amount, which is the amount agreed upon by both parties.

## 6. Property and equipment

Property and equipment consist of the following:

| | 2018 | | |
|---|---|---|---|
| | **Cost**<br>$ | **Accumulated amortization**<br>$ | **Net book value**<br>$ |
| **Tangible** | | | |
| Land | **345,841** | **—** | **345,841** |
| Other non-amortized assets | **147,010** | **—** | **147,010** |
| Land improvements | **1,851,158** | **1,432,686** | **418,472** |
| Buildings | **141,723,442** | **67,718,158** | **74,005,284** |
| Furnishings and equipment | **53,913,455** | **47,274,378** | **6,639,077** |
| Computer hardware | **5,695,183** | **4,460,533** | **1,234,650** |
| Construction in progress | **10,048,256** | **—** | **10,048,256** |
| | **213,724,345** | **120,885,755** | **92,838,590** |
| **Intangible** | | | |
| Computer software | **9,490,778** | **7,020,041** | **2,470,737** |
| | **223,215,123** | **127,905,796** | **95,309,327** |

# Notes to combined financial statements

March 31, 2018

| | 2017 | | |
|---|---|---|---|
| | Cost | Accumulated amortization | Net book value |
| | $ | $ | $ |
| **Tangible** | | | |
| Land | 345,841 | — | 345,841 |
| Other non-amortized assets | 147,010 | — | 147,010 |
| Land improvements | 1,851,158 | 1,395,753 | 455,405 |
| Buildings | 137,549,433 | 62,649,100 | 74,900,333 |
| Furnishings and equipment | 54,312,018 | 48,091,573 | 6,220,445 |
| Computer hardware | 5,414,495 | 3,957,562 | 1,456,933 |
| Construction in progress | 2,058,534 | — | 2,058,534 |
| | 201,678,489 | 116,093,988 | 85,584,501 |
| **Intangible** | | | |
| Computer software | 8,496,798 | 5,734,164 | 2,762,634 |
| | 210,175,287 | 121,828,152 | 88,347,135 |

In 2018, no capital assets [2017 – treatment tables with a fair value of $13,651] were contributed and recorded in property and equipment and deferred contributions – capital.

## 7. Demand loans and term loans

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

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| Demand loans [a] | **6,437,999** | 4,726,501 |
| Current portion of term loans [b] | **479,500** | 144,000 |
| **Total demand loans and current portion of term loans** | **6,917,499** | 4,870,501 |
| **Term loan [b]** | **5,358,918** | 1,864,418 |

# Notes to combined financial statements

March 31, 2018

### [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 [3.45%] minus 0.65%. As at March 31, 2018, nil [2017 – nil] has been drawn on the Facility.

The Alliance has a $25,000,000 [2017 – $25,000,000] revolving demand facility with RBC to finance the acquisition of capital assets, including equipment and property [the "Capital Facility"]. The Capital Facility bears interest at various rates depending on the term. As at March 31, 2018, $6,437,999 [2017 – $4,026,501] 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 [3.45%] minus 0.65%. As at March 31, 2018, $2,008,418 is outstanding on the SSRP Facility [2017 – $2,008,418]. 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 principal payment due March 31, 2018 was not withdrawn until April 2, 2018. The maturity date of this facility is March 31, 2019.

The Alliance has a $3,830,000 committed installment loan with the Canadian Imperial Bank of Commerce ["CIBC"] that is being used to finance the Energy Co-Generation Project at the Stratford site [the "Co-Gen Facility"]. The Co-Gen Facility bears interest at bank prime [3.45%] minus 0.75% and is due on demand. As at March 31, 2018, $3,830,000 [2017 – $700,000] is outstanding. The commitment period of the Co-Gen Facility will expire on April 30, 2020.

### [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, 2018, nil [2017 – 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. Principal repayments required on term loans over the next two fiscal years are as follows:

| | $ |
|---|---|
| 2019 | 479,500 |
| 2020 | 5,358,910 |
| | 5,838,418 |

# Notes to combined financial statements

March 31, 2018

## 8. Post-employment benefits

### [a] Pension plan

Substantially all of the full-time employees of the Alliance are members of the Healthcare of Ontario Pension Plan [the "HOOPP"]. As the HOOPP is a multi-employer, defined benefit pension plan, no actuarial liability has been recorded on the Alliance's financial statements. Employer contributions to the HOOPP are expensed as contributions are due.

Employer contributions to the HOOPP on behalf of employees amounted to $5,634,379 [2017 – $5,392,621]. The most recent actuarial valuation for financial reporting purposes completed by the HOOPP as at December 31, 2017 disclosed net assets available for benefits of $77,755 million [2016 – $70,359 million] with pension obligations of $59,602 million [2016 – $54,461 million], resulting in a surplus of $18,153 million [2016 – $15,898 million]. The cost of pension benefits is determined by the HOOPP at $1.26 per every dollar of employee contributions. As at December 31, 2017, the HOOPP was 130% funded [2016 – 129%].

### [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-employment 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 totaled $220,081 [2017 – $249,882].

The most recent actuarial valuation for funding purposes was completed by the Alliance's independent actuaries as at March 31, 2017.

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

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Accrued benefit obligation** | | |
| Balance, beginning of year | **6,770,800** | 8,397,900 |
| Current service cost | **392,400** | 436,700 |
| Interest cost | **256,300** | 289,600 |
| Benefits paid | **(360,400)** | (468,200) |
| Actuarial loss (gain) | **379,100** | (1,885,200) |
| Balance, end of year | **7,438,200** | 6,770,800 |
| Unamortized net actuarial gain | **1,581,300** | 2,093,500 |
| **Post-employment benefits** | **9,019,500** | 8,864,300 |
| Less current portion | **567,300** | 513,200 |
| | **8,452,200** | 8,351,100 |

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 gains are amortized over the expected average remaining service life of employees of the Alliance.

The Alliance's benefit plan expense is as follows:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Current service cost | **392,400** | 436,700 |
| Interest cost | **256,300** | 289,600 |
| Amortization of net actuarial loss (gain) | **(133,100)** | 35,900 |
| **Post-employment benefits expense** | **515,600** | 762,200 |

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

| | 2018<br>% | 2017<br>% |
|---|---|---|
| Discount rate – net accrued benefit expense | **3.67** | 3.37 |
| Discount rate – accrued benefit obligation | **3.19** | 3.67 |
| 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 12.36 years.

## 9. Deferred contributions, capital

Deferred contributions related to property and equipment are as follows:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Balance, beginning of year** | **63,425,652** | 66,178,382 |
| Additional contributions received | | |
| MoHLTC and LHIN, net | **4,434,950** | 1,600,951 |
| Foundations *[note 13]* | **2,113,995** | 1,984,691 |
| Other | **121,817** | 310,845 |
| Less amounts amortized to revenue | **(6,214,826)** | (6,588,961) |
| Less amounts recognized in other revenue | **—** | (60,256) |
| **Balance, end of year** | **63,881,588** | 63,425,652 |

# Notes to combined financial statements

March 31, 2018

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

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Unamortized capital contributions used to purchase property and equipment | **63,546,009** | 63,271,830 |
| Unspent contributions | **335,579** | 153,822 |
| | **63,881,588** | 63,425,652 |

## 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:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Balance, beginning of year** | **180,981** | 8,317 |
| Contributions, grants and donations | **600,000** | 180,382 |
| Amounts earned | **(456,188)** | (7,718) |
| **Balance, end of year** | **324,793** | 180,981 |

The deferred contributions will be spent as follows:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Mental health programs | **1,215** | 80,382 |
| Change Foundation | **321,392** | 95,310 |
| Other | **2,186** | 5,289 |
| | **324,793** | 180,981 |

## 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 $1,582 [2017 – $2,314] and was included in deferred contributions, capital during the year.

# Notes to combined financial statements

March 31, 2018

## 12. Commitments and contingencies

The Alliance from time to time enters into multi-year service contracts in the normal course of operations. The amount committed to these service contracts for the next five years and thereafter is as follows:

| | $ |
|---|---|
| 2019 | 2,460,070 |
| 2020 | 1,335,842 |
| 2021 | 620,213 |
| 2022 | 333,798 |
| 2023 | 161,504 |
| Thereafter | 12,850 |
| | 4,924,277 |

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, 2018, management believes adequate provision for losses has been made in the accounts.

The Alliance routinely engages in collective bargaining and is subject to various human rights matters under Provincial legislation when employees or groups within the bargaining units file grievances against the Alliance or when the collective bargaining agreements are negotiated, which may result in retroactive pay.

## 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 $2,113,995 [2017 – $1,984,691] 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, 2018, an amount of $43,887 [2017 – $54,278] was due from the Foundations. The amount is non-interest-bearing and due on demand.

# Notes to combined financial statements

March 31, 2018

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

Transactions are in the normal course of business and are recorded at their exchange amount, which is the amount agreed upon by both parties.

## 14. Combined statement of cash flows

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

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Decrease (increase) in current assets** | | |
| Accounts receivable | **(101,625)** | 173,706 |
| Grant receivable | **(42,034)** | — |
| Inventories | **20,630** | (146,019) |
| Prepaid expenses | **(97,601)** | 11,369 |
| | **(220,630)** | 39,056 |
| **Increase (decrease) in current liabilities** | | |
| Accounts payable and accrued liabilities | **274,800** | 2,228,398 |
| Accrued salaries and wages | **374,210** | (596,324) |
| Deferred contributions, expenses of future periods | **143,812** | 172,664 |
| | **792,822** | 1,804,738 |
| | **572,192** | 1,843,794 |

Interest of $192,769 [2017 – $106,009] related to the demand and term facilities of the Alliance was paid during the year.

## 15. Midwifery programs

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 OMP of $4,560,963 [2017 – $4,027,490] are included in the combined statement of operations. The excess of OMP funding over OMP allowed expenses for 2018 is $136,413 [2017 – $350,444], which is due to the MoHLTC's OMP and is included in accounts payable and accrued liabilities as at March 31, 2018.

# Notes to combined financial statements

March 31, 2018

## 16. 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 the hierarchy for which significant input has been considered in measuring fair value.

The guaranteed investment certificate held by the Alliance is classified as Level 2 according to the fair value hierarchy described above. There were no transfers between Levels 1 and 2 for the year ended March 31, 2018.

### 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 $4,241,075 [2017 – $4,366,183]. 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, 2018.

# Notes to combined financial statements

March 31, 2018

*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, 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 combined financial statements related to those liabilities.

# Clinton Public Hospital

**Financial statements**
**March 31, 2018**

# 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, 2018, 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, 2018, 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 7, 2018

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

# Statement of financial position

As at March 31

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash | **1,552,100** | 1,623,441 |
| Accounts receivable *[note 3]* | **105,820** | 466,561 |
| Due from other Alliance entity *[note 4]* | **484,270** | — |
| Inventories *[note 5]* | **120,372** | 124,248 |
| Prepaid expenses | **43,383** | 54,695 |
| **Total current assets** | **2,305,945** | 2,268,945 |
| Property and equipment, net *[note 6]* | **6,135,847** | 5,421,371 |
| | **8,441,792** | 7,690,316 |
| **Liabilities and net assets** | | |
| **Current** | | |
| Accounts payable and accrued liabilities | **245,428** | 40,806 |
| Due to other Alliance entity *[note 4]* | **—** | 250,569 |
| Accrued salaries and wages | **603,289** | 572,754 |
| Current portion of post-employment benefits *[note 8[b]]* | **79,420** | 71,850 |
| Demand loan *[note 7]* | **532,809** | 493,833 |
| **Total current liabilities** | **1,460,946** | 1,429,812 |
| Term debt | **509,390** | — |
| Post-employment benefits *[note 8[b]]* | **1,183,310** | 1,169,200 |
| Deferred contributions, capital *[note 9]* | **3,149,232** | 2,829,963 |
| **Total liabilities** | **6,302,878** | 5,428,975 |
| Commitments and contingencies *[note 10]* | | |
| **Net assets** | **2,138,914** | 2,261,341 |
| | **8,441,792** | 7,690,316 |

*See accompanying notes*

On behalf of the Board:

Board Chair

Treasurer

**Clinton Public Hospital**

# Statement of changes in net assets

Year ended March 31

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| **Net assets, beginning of year** | **2,261,341** | 2,138,519 |
| Excess (deficiency) of revenue over expenses for the year | **(122,427)** | 122,822 |
| **Net assets, end of year** | **2,138,914** | 2,261,341 |

*See accompanying notes*

**Clinton Public Hospital**

# Statement of operations

Year ended March 31

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Revenue** | | |
| Ministry of Health and Long-Term Care / South West Local Health Integration Network/ Cancer Care Ontario funding *[note 4]* | **11,184,024** | 10,892,706 |
| In-patient services | **3,312** | 35,600 |
| Out-patient services | **1,643,580** | 1,595,126 |
| Preferred accommodation | **26,045** | 53,773 |
| Chronic co-payment | **63,560** | 32,412 |
| Other revenue | **201,548** | 545,958 |
| Unrestricted donation and bequests | **4,000** | 248 |
| Amortization of deferred contributions, capital – equipment | **304,099** | 239,531 |
| | **13,430,168** | 13,395,354 |
| **Expenses** | | |
| Salaries and wages | **6,577,700** | 6,190,749 |
| Medical staff remuneration | **1,577,026** | 1,547,078 |
| Employee benefits | **1,964,829** | 1,925,894 |
| Supplies and other expenses | **2,088,050** | 2,328,684 |
| Medical and surgical supplies | **480,359** | 475,631 |
| Drugs | **219,946** | 212,942 |
| Amortization of equipment | **422,170** | 380,477 |
| Interest – non building *[note 7]* | **2,389** | 3,236 |
| Net gain on disposal of property and equipment | **(404)** | — |
| | **13,332,065** | 13,064,691 |
| Excess of revenue over expenses before the following | **98,103** | 330,663 |
| Amortization of deferred contributions, capital – buildings and land improvements | **108,506** | 102,015 |
| Amortization of buildings and land improvements | **(316,022)** | (303,739) |
| Interest on demand loan *[note 7]* | **(13,014)** | (6,117) |
| | **(220,530)** | (207,841) |
| **Excess (deficiency) of revenue over expenses for the year** | **(122,427)** | 122,822 |

*See accompanying notes*

**Clinton Public Hospital**

# Statement of cash flows

Year ended March 31

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Operating activities** | | |
| Excess (deficiency) of revenue over expenses for the year | **(122,427)** | 122,822 |
| Add (deduct) items not involving cash | | |
| Amortization of equipment | **422,170** | 380,477 |
| Amortization of buildings and land improvements | **316,022** | 303,739 |
| Net gain on disposal of property and equipment | **(404)** | — |
| Amortization of deferred contributions, capital – equipment | **(304,099)** | (239,531) |
| Amortization of deferred contributions, capital – buildings and land improvements | **(108,506)** | (102,015) |
| Post-employment benefits | **21,680** | 41,208 |
| | **224,436** | 506,700 |
| Net change in non-cash working capital balances related to operations *[note 12]* | **(123,753)** | (854,039) |
| **Cash provided by (used in) operating activities** | **100,683** | (347,339) |
| **Capital activities** | | |
| Purchase of property and equipment | **(1,456,332)** | (1,308,005) |
| Proceeds on disposal of property and equipment | **4,068** | — |
| **Cash used in capital activities** | **(1,452,264)** | (1,308,005) |
| **Financing activities** | | |
| Proceeds of demand loan | **548,366** | — |
| Repayment of demand loan | **—** | (18,080) |
| Contributions received related to capital | **731,874** | 717,505 |
| **Cash provided by financing activities** | **1,280,240** | 699,425 |
| **Net decrease in cash during the year** | **(71,341)** | (955,919) |
| Cash, beginning of year | **1,623,441** | 2,579,360 |
| **Cash, end of year** | **1,552,100** | 1,623,441 |

*See accompanying notes*

**Clinton Public Hospital**

# Notes to financial statements

March 31, 2018

## 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"], and Cancer Care Ontario ["CCO"]. 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, is a member 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 *CPA 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.

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.

# Notes to financial statements

March 31, 2018

### [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 initially deferred when recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of property and equipment are initially 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 is 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 following estimated useful lives of the assets:

| | |
|---|---|
| **Tangible** | |
| Land improvements | 10–40 years |
| Buildings | 10–50 years |
| Furnishings and equipment | 3–25 years |
| Computer hardware | 3–5 years |
| | |
| **Intangible** | |
| Computer software | 3–5 years |

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.

# Notes to financial statements

March 31, 2018

### [e] Contributed materials and services

Volunteers contribute a significant amount of time each year. Due to the difficulty of determining the fair value, these contributed services are not recognized or disclosed in the financial statements and related notes. Contributed materials are recognized in the financial statements at their fair market value if the fair value can be reasonably estimated.

### [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 active employees, which equal to 12.36 years.

### [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 the demand loan is 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 or losses

Remeasurement gains or losses are reported according to their nature, including changes in market value for derivatives, portfolio investments in equity instruments and financial instruments that have been designated to the fair value category. Also included are gains or losses in foreign exchange for items denominated in a foreign currency. As at March 31, 2018, there was no change in the accumulative deficiency of revenues over expenses for the fair value changes or foreign currency translation. Therefore, the statement of remeasurement gains and losses has not been disclosed.

# Notes to financial statements

March 31, 2018

### [j] Change in accounting policy

During the year, the Hospital adopted the new accounting standards PS 2200, related party disclosures, and PS 3420, inter-entity transactions. These new standards are effective for fiscal years beginning on or after April 1, 2017. PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The new accounting standards were applied on a prospective basis and did not have any impact on the financial statements.

## 3. Accounts receivable

Accounts receivable consist of the following:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Insurers and patients | **122,199** | 96,336 |
| Other | **11,621** | 395,225 |
| | **133,820** | 491,561 |
| Less allowance for doubtful accounts | **28,000** | 25,000 |
| | **105,820** | 466,561 |

## 4. Huron Perth Healthcare Alliance

The combined operating surplus/deficit 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 surplus/deficit.

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Clinton Public Hospital provincial funding | **9,955,698** | 9,843,552 |
| Adjustment for the Hospital's share of the Alliance operating surplus/deficit | **1,228,326** | 893,974 |
| Transfer of cataract funding from Stratford General Hospital | **—** | 155,180 |
| Provincial funding adjusted revenue | **11,184,024** | 10,892,706 |

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 surplus/deficit 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.

# Notes to financial statements

March 31, 2018

The amount owing from Stratford General Hospital as at March 31, 2018 is $484,271 [2017 – amount owing to Stratford General Hospital was $250,569]. This amount is non-interest bearing with no set repayment terms.

Transactions are in the normal course of business and recorded at the exchange amount, which is the amount agreed upon by both parties.

## 5. Inventories

During the year, the Hospital expensed $361,731 [2017 – $506,922] of inventories. There were no write-downs of inventories to net realizable value or any write-down reversals during the year or prior year.

## 6. Property and equipment

Property and equipment consist of the following:

| | 2018 | | |
|---|---|---|---|
| | Cost | Accumulated amortization | Net book value |
| | $ | $ | $ |
| **Tangible** | | | |
| Land | **85,246** | **—** | **85,246** |
| Land improvements | **119,628** | **69,914** | **49,714** |
| Buildings | **8,934,800** | **5,097,311** | **3,837,489** |
| Furnishings and equipment | **6,231,439** | **5,534,759** | **696,680** |
| Computer hardware | **813,016** | **649,026** | **163,990** |
| Construction in progress | **960,731** | **—** | **960,731** |
| | **17,144,860** | **11,351,010** | **5,793,850** |
| **Intangible** | | | |
| Computer software | **1,240,132** | **898,135** | **341,997** |
| | **18,384,992** | **12,249,145** | **6,135,847** |

# Notes to financial statements

March 31, 2018

| | 2017 | | |
|---|---|---|---|
| | Cost | Accumulated amortization | Net book value |
| | $ | $ | $ |
| **Tangible** | | | |
| Land | 85,246 | — | 85,246 |
| Land improvements | 119,628 | 65,967 | 53,661 |
| Buildings | 8,219,122 | 4,785,235 | 3,433,887 |
| Furnishings and equipment | 6,374,859 | 5,617,653 | 757,206 |
| Computer hardware | 777,317 | 584,184 | 193,133 |
| Construction in progress | 502,753 | — | 502,753 |
| | 16,078,925 | 11,053,039 | 5,025,886 |
| **Intangible** | | | |
| Computer software | 1,102,082 | 706,597 | 395,485 |
| | 17,181,007 | 11,759,636 | 5,421,371 |

## 7. Demand loans and term loans

The Hospital has a joint and several obligation for the borrowings of the Alliance under the following loan facilities with the Canadian Imperial Bank of Commerce ["CIBC"] and Royal Bank of Canada ["RBC"].

[a] Revolving demand facility [the "Facility"] of $7,000,000 with RBC to finance general operating requirements. The Facility bears interest at bank prime [3.45%] minus 0.65%. As at March 31, 2018, nil [2017 – nil] has been drawn on the Facility by the Alliance.

[b] Revolving demand facility [the "Capital Facility"] of $25,000,000 [2017 – $25,000,000] with RBC to finance the acquisition of capital assets, including equipment and property. The Capital Facility bears interest at various rates depending on the term. As at March 31, 2018, $6,437,999 [2017 – $4,026,500] has been drawn on the Capital Facility by the Alliance, of which $506,000 [2017 – $493,833] is attributable to the Hospital.

[c] Term facility [the "SSRP Facility"] with RBC that was used to finance the completion of the Stratford Site Redevelopment Project. The SSRP Facility bears interest at bank prime [3.45%] minus 0.65%. As at March 31, 2018, $2,008,419 [2017 – $2,008,419] is outstanding from the Alliance on the SSRP Facility, of which nil [2017 – nil] is attributable to the hospital. 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 principal payment due March 31, 2018 was not withdrawn until April 2, 2018. The maturity date of this facility is March 31, 2019.

[d] A committed installment Loan [the "Co-Gen Facility"] with CIBC that is being used to finance the Energy Co-Generation Project at the Stratford site. This facility bears interest at bank prime [3.45%] minus 0.75% and is due on demand. As at March 31, 2018, $3,830,000 [2017 – $700,000] is outstanding from the Alliance of which $536,200 [2017 – nil] is attributable to the Hospital. The commitment period of this facility will expire on April 30, 2020.

[e] Revolving lease line of credit [the "Lease Facility"] of $9,000,000 with RBC, by way of lease agreements with RBC, to finance 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, 2018, nil [2017 – nil] has been drawn on the Lease Facility by the Alliance.

As at March 31, 2018, the total outstanding borrowings of the Alliance amounted to $12,276,419 [2017 – $6,734,919]. Of this amount, the Hospital has a $1,042,200 draw [2017 – $493,833] from the Capital Facility to finance the acquisition of capital assets.

## 8. Post-employment benefits

### [a] Pension plan

Substantially all of the full-time employees of the Hospital are members of the Healthcare of Ontario Pension Plan [the "HOOPP"]. As HOOPP is a multi-employer, defined benefit pension plan, no actuarial liability has been recorded on the Alliance's financial statements. Employer contributions to HOOPP are expensed as contributions are due.

Employer contributions to HOOPP during the year by the Hospital amounted to $558,883 [2017 – $514,019]. The most recent actuarial valuation for financial reporting purposes completed by the HOOPP as at December 31, 2017 disclosed net assets available for benefits of $77,755 million [2017 – $70,359 million] with pension obligations of $59,602 million [2017 – $54,461 million], resulting in a surplus of $18,153 million [2017 – $15,898 million]. The cost of pension benefits is determined by the HOOPP at $1.26 per every dollar of employee contributions. As at December 31, 2017, the HOOPP was 122% funded [2017 – 129%].

### [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-employment 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 $23,573 [2017 – $24,811].

The most recent actuarial valuation for funding purposes was completed by the Alliance's independent actuaries as at March 31, 2018.

# Notes to financial statements

March 31, 2018

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

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Accrued benefit obligation** | | |
| Balance, beginning of year | **947,912** | 1,175,706 |
| Current service cost | **54,936** | 61,198 |
| Interest cost | **35,882** | 40,544 |
| Benefits paid | **(50,456)** | (65,548) |
| Actuarial loss (gain) | **53,074** | (263,928) |
| Balance, end of year | **1,041,408** | 947,972 |
| Unamortized net actuarial gain | **221,382** | 293,078 |
| **Post-employment benefits** | **1,262,730** | 1,241,050 |
| Less current portion | **79,420** | 71,850 |
| | **1,183,310** | 1,169,200 |

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 gains are amortized over the expected average remaining service life of employees of the Alliance.

The Hospital's benefit plan expense is as follows:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Current service cost | **54,936** | 61,138 |
| Interest cost | **35,882** | 40,544 |
| Amortization of net actuarial loss (gain) | **(18,634)** | 5,026 |
| **Post-employment benefits expense** | **72,184** | 106,708 |

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

| | 2018<br>% | 2017<br>% |
|---|---|---|
| Discount rate – net accrued benefit expense | **3.67** | 3.37 |
| Discount rate – accrued benefit obligation | **3.19** | 3.67 |
| 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 12.36 years.

## 9. Deferred contributions, capital

Deferred contributions related to property and equipment are as follows:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Balance, beginning of year** | **2,829,963** | 2,454,004 |
| Additional contributions received | | |
| MoHLTC and LHIN | **420,330** | 498,987 |
| Foundation *[note 11]* | **294,490** | 175,000 |
| Other | **17,054** | 43,518 |
| Less amounts amortized to revenue | **(412,605)** | (341,546) |
| **Balance, end of year** | **3,149,232** | 2,829,963 |

There was $255,648 in unspent contributions included in the balance of unamortized capital contributions related to property and equipment [2017 – $71,164].

# Notes to financial statements

March 31, 2018

## 10. Commitments and contingencies

The Hospital from time to time enters into multi-year service contracts in the normal course of operations. The amount committed to these service contracts for the next five years and thereafter is as follows:

| | $ |
|---|---|
| 2019 | 344,410 |
| 2020 | 187,018 |
| 2021 | 86,830 |
| 2022 | 46,732 |
| 2023 | 22,610 |
| Thereafter | 1,799 |
| | 689,399 |

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, 2018, management believes adequate provision for losses has been made in the accounts.

The Hospital routinely engages in collective bargaining and is subject to various human rights matters under Provincial legislation when employees or groups within the bargaining units file grievances against the Hospital or when the collective bargaining agreements are negotiated, which may result in retroactive pay.

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, 2018, the total outstanding borrowings of the Alliance amounted to $12,276,417 [2017 – $6,734,919]. Of this amount, the Hospital has drawn $1,042,200 [2017 – $493,833] *[note 7]*.

## 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 $294,490 [2017 – $175,000] were received from the Foundation for equipment purchases and capital projects. These amounts have been included in deferred contributions, capital.

# Notes to financial statements

March 31, 2018

[b] Alliance operations – Stratford General Hospital is acting as the central financial processing entity for the Alliance, processing all accounts payable 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 *[note 4]*.

Transactions are in the normal course of business and recorded at the exchange amount, which is the amount agreed upon by both parties.

## 12. Statement of cash flows

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

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Decrease (increase) in current assets** | | |
| Accounts receivable | **360,741** | (354,642) |
| Due to other Alliance entities | **(484,270)** | — |
| Inventories | **3,876** | 1,360 |
| Prepaid expenses | **11,312** | (3,992) |
| | **(108,341)** | (357,274) |
| **Increase (decrease) in current liabilities** | | |
| Accounts payable and accrued liabilities | **204,622** | (32,710) |
| Due to other Alliance entity | **(250,569)** | (445,353) |
| Accrued salaries and wages | **30,535** | (18,702) |
| | **(15,412)** | (496,765) |
| | **(123,753)** | (854,039) |

## 13. Financial instruments

### 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.

# Notes to financial statements

March 31, 2018

***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 totaled $133,820 [2017 – $491,561]. 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, 2018.

***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.

# St. Marys Memorial Hospital

**Financial statements**
**March 31, 2018**


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, 2018, 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, 2018, 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 7, 2018

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

# Statement of financial position

As at March 31

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash | **418,638** | 1,024,299 |
| Accounts receivable *[note 3]* | **119,525** | 178,120 |
| Due from other Alliance entity *[note 4]* | **1,486,775** | 948,144 |
| Inventories *[note 5]* | **62,127** | 58,062 |
| Prepaid expenses | **31,853** | 34,559 |
| **Total current assets** | **2,118,918** | 2,243,184 |
| Property and equipment, net *[note 6]* | **9,520,793** | 8,760,889 |
| | **11,639,711** | 11,004,073 |
| **Liabilities and net assets** | | |
| **Current** | | |
| Accounts payable and accrued liabilities | **38,902** | 24,317 |
| Accrued salaries and wages | **533,696** | 521,784 |
| Current portion of post-employment benefits *[note 8[b]]* | **62,405** | 56,450 |
| Deferred contributions, expenses of future periods *[note 10]* | **2,186** | 5,289 |
| Demand loan *[note 7]* | **527,065** | 563,834 |
| **Total current liabilities** | **1,164,254** | 1,171,674 |
| Term debt | **400,235** | — |
| Post-employment benefits *[note 8[b]]* | **929,740** | 918,600 |
| Deferred contributions, capital *[note 9]* | **6,781,588** | 6,477,559 |
| **Total liabilities** | **9,275,817** | 8,567,833 |
| Commitments and contingencies *[note 11]* | | |
| **Net assets** | **2,363,894** | 2,436,240 |
| | **11,639,711** | 11,004,073 |

*See accompanying notes*

On behalf of the Board:

Board Chair

Treasurer

St. Marys Memorial Hospital

# Statement of changes in net assets

Year ended March 31

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| **Net assets, beginning of year** | **2,436,240** | 2,376,212 |
| Excess (deficiency) of revenue over expenses for the year | **(72,346)** | 60,028 |
| **Net assets, end of year** | **2,363,894** | 2,436,240 |

*See accompanying notes*

St. Marys Memorial Hospital

# Statement of operations

Year ended March 31

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Revenue** | | |
| Ministry of Health and Long-Term Care / South West Local Health Integration Network/ Cancer Care Ontario funding *[note 4]* | **9,855,274** | 9,423,286 |
| In-patient services | **18,463** | — |
| Out-patient services | **1,669,630** | 1,636,572 |
| Preferred accommodation | **55,880** | 36,190 |
| Chronic co-payment | **57,605** | 38,789 |
| Other revenue | **347,141** | 304,634 |
| Unrestricted benefits and bequests | **36,194** | 62,309 |
| Amortization of deferred contributions, capital – equipment | **366,679** | 316,463 |
| | **12,406,866** | 11,818,243 |
| **Expenses** | | |
| Salaries and wages | **6,201,847** | 5,896,160 |
| Medical staff remuneration | **1,559,574** | 1,526,779 |
| Employee benefits | **1,794,127** | 1,812,774 |
| Supplies and other expenses | **1,987,678** | 1,591,651 |
| Medical and surgical supplies | **150,861** | 147,945 |
| Drugs | **168,558** | 145,932 |
| Amortization of equipment | **461,264** | 432,793 |
| Interest – non-building *[note 7]* | **3,346** | 4,405 |
| Net loss on disposal of equipment | **2,530** | — |
| | **12,329,785** | 11,558,439 |
| Excess of revenue over expenses before the following | **77,081** | 259,804 |
| Amortization of deferred contributions, capital – buildings and land improvements | **334,617** | 259,157 |
| Amortization of buildings and land improvements | **(471,999)** | (452,816) |
| Interest on demand loan *[note 7]* | **(12,045)** | (6,117) |
| | **(149,427)** | (199,776) |
| **Excess (deficiency) of revenue over expenses for the year** | **(72,346)** | 60,028 |

*See accompanying notes*

St. Marys Memorial Hospital

# Statement of cash flows

Year ended March 31

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Operating activities** | | |
| Excess (deficiency) of revenue over expenses for the year | **(72,346)** | 60,028 |
| Add (deduct) items not involving cash | | |
| Amortization of equipment | **461,264** | 432,793 |
| Amortization of buildings and land improvements | **471,999** | 452,816 |
| Net loss on disposal of equipment | **2,530** | — |
| Amortization of deferred contributions, capital – equipment | **(366,679)** | (316,463) |
| Amortization of deferred contributions, capital – buildings and land improvements | **(334,617)** | (259,157) |
| Post-employment benefits | **17,095** | 32,317 |
| | **179,246** | 402,334 |
| Net change in non-cash working capital balances related to operations *[note 13]* | **(458,001)** | 143,532 |
| **Cash provided by (used in) operating activities** | **(278,755)** | 545,866 |
| **Capital activities** | | |
| Purchase of property and equipment | **(1,696,161)** | (1,219,850) |
| Proceeds on disposal of property and equipment | **464** | — |
| **Cash used in capital activities** | **(1,695,697)** | (1,219,850) |
| **Financing activities** | | |
| Proceeds of demand loan | **433,466** | — |
| Repayments of demand loan | **(70,000)** | (88,080) |
| Contributions received related to capital | **1,005,325** | 846,751 |
| **Cash provided by financing activities** | **1,368,791** | 758,671 |
| **Net increase (decrease) in cash during the year** | **(605,661)** | 84,687 |
| Cash, beginning of year | **1,024,299** | 939,612 |
| **Cash, end of year** | **418,638** | 1,024,299 |

*See accompanying notes*

# Notes to financial statements

March 31, 2018

## 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"], and Cancer Care Ontario ["CCO"]. 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, is a member 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 *CPA 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.

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.

# Notes to financial statements

March 31, 2018

### [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 initially deferred when recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of property and equipment are initially 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 is 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 following estimated useful lives of the assets:

| | |
|---|---|
| **Tangible** | |
| Land improvements | 10–40 years |
| Buildings | 10–50 years |
| Furnishings and equipment | 3–25 years |
| Computer hardware | 3–5 years |
| | |
| **Intangible** | |
| Computer software | 3–5 years |

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.

# Notes to financial statements

March 31, 2018

### [e] Contributed materials and services

Volunteers contribute a significant amount of time each year. Due to the difficulty of determining the fair value, these contributed services are not recognized or disclosed in the financial statements and related notes. Contributed materials are recognized in the financial statements at their fair market value if the fair value can be reasonably estimated.

### [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 active employees, which is equal to 12.36 years.

### [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 the demand loan is 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 or losses

Remeasurement gains or losses are reported according to their nature, including changes in market value for derivatives, portfolio investments in equity instruments and financial instruments that have been designated to the fair value category. Also included are gains or losses in foreign exchange for items denominated in a foreign currency. As at March 31, 2018, there was no change in the accumulative deficiency of revenues over expenses for the fair value changes or foreign currency translation. Therefore, the statement of remeasurement gains and losses has not been disclosed.

# Notes to financial statements

March 31, 2018

### [j] Change in accounting policy

During the year, the Hospital adopted the new accounting standards PS 2200, Related Party Disclosures, and PS 3420, Inter-Entity Transactions. These new standards are effective for fiscal years beginning on or after April 1, 2017. PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The new accounting standards were applied on a prospective basis and did not have any impact on the financial statements.

## 3. Accounts receivable

Accounts receivable consist of the following:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Insurers and patients | **115,812** | 118,735 |
| Other | **24,713** | 78,685 |
| | **140,525** | 197,420 |
| Less allowance for doubtful accounts | **21,000** | 19,300 |
| | **119,525** | 178,120 |

## 4. Huron Perth Healthcare Alliance

The combined operating surplus/deficit 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 surplus/deficit.

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| St. Marys Memorial Hospital provincial funding | **7,976,233** | 7,858,376 |
| Adjustment for the Hospital's share of the Alliance operating surplus/deficit | **1,879,041** | 1,564,910 |
| Provincial funding adjusted revenue | **9,855,274** | 9,423,286 |

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 surplus/deficit 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 from Stratford General Hospital as at March 31, 2018 is $1,486,775 [2017 – $948,144]. This amount is non-interest bearing with no set repayment terms.

# Notes to financial statements

March 31, 2018

Transactions are in the normal course of business and recorded at the exchange amount, which is the amount agreed upon by both parties.

## 5. Inventories

During the year, the Hospital expensed $301,535 [2017 – $351,105] of inventories. There were no write-downs of inventories to net realizable value or any write-down reversals during the year or prior year.

## 6. Property and equipment

Property and equipment consist of the following:

| | 2018 | | |
|---|---|---|---|
| | Cost | Accumulated amortization | Net book value |
| | $ | $ | $ |
| **Tangible** | | | |
| Land | **231,936** | **—** | **231,936** |
| Land improvements | **128,647** | **78,728** | **49,919** |
| Buildings | **14,305,886** | **7,705,293** | **6,600,593** |
| Furnishings and equipment | **5,599,666** | **4,829,331** | **770,335** |
| Computer hardware | **568,555** | **410,538** | **158,017** |
| Construction in progress | **1,432,895** | **—** | **1,432,895** |
| | **22,267,585** | **13,023,890** | **9,243,695** |
| **Intangible** | | | |
| Computer software | **868,864** | **591,766** | **277,098** |
| | **23,136,449** | **13,615,656** | **9,520,793** |

# Notes to financial statements

March 31, 2018

| | 2017 | | |
|---|---|---|---|
| | Cost | Accumulated amortization | Net book value |
| | $ | $ | $ |
| **Tangible** | | | |
| Land | 231,936 | — | 231,936 |
| Land improvements | 128,647 | 73,859 | 54,788 |
| Buildings | 14,005,819 | 7,238,163 | 6,767,656 |
| Furnishings and equipment | 5,544,896 | 4,614,024 | 930,872 |
| Computer hardware | 514,805 | 358,521 | 156,284 |
| Construction in progress | 293,651 | — | 293,651 |
| | 20,719,754 | 12,284,567 | 8,435,187 |
| **Intangible** | | | |
| Computer software | 760,395 | 434,693 | 325,702 |
| | 21,480,149 | 12,719,260 | 8,760,889 |

In 2018, no capital assets [2017 – treatment tables with a fair value of $13,651] were contributed and recorded in property and equipment and deferred contributions, capital.

## 7. Demand loans and term debt

The Hospital has a joint and several obligation for the borrowings of the Alliance under the following loan facilities with the Canadian Imperial Bank of Commerce ["CIBC"] and Royal Bank of Canada ["RBC"].

[a] Revolving demand facility [the "Facility"] of $7,000,000 with RBC to finance general operating requirements. The Facility bears interest at bank prime [3.45%] minus 0.65%. As at March 31, 2018, $nil [2017 – nil] has been drawn on the Facility by the Alliance.

[b] Revolving demand facility [the "Capital Facility"] of $25,000,000 [2017 — $25,000,000] with RBC to finance the acquisition of capital assets, including equipment and property. The Capital Facility bears interest at various rates depending on the term. As at March 31, 2018, $6,437,999 [2017 – $4,026,500] has been drawn on the Capital Facility by the Alliance, of which $506,000 [2017 – $563,834] is attributable to the Hospital.

[c] Term facility [the "SSRP Facility"] with RBC that was used to finance the completion of the Stratford Site Redevelopment Project. The SSRP Facility bears interest at bank prime [3.45%] minus 0.65%. As at March 31, 2018, $2,008,418 [2017 – $2,008,419] is outstanding from the Alliance on the SSRP Facility of which nil [2017 – nil] is attributable to the hospital. 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 principal payment due March 31, 2018 was not withdrawn until April 2, 2018. The maturity date of this facility is March 31, 2019.

[d] A committed installment loan [the "Co-Gen Facility"] with CIBC that is being used to finance the Energy Co-Generation Project at the Stratford site. The Co-Gen Facility bears interest at bank prime [3.45%] minus

0.75% and is due on demand. As at March 31, 2018, $3,830,000 [2017 – $700,000] is outstanding from the Alliance, of which $421,300 [2017 – nil] is attributable to the Hospital. The commitment period of this facility will expire on April 30, 2020.

[e] Revolving lease line of credit [the "Lease Facility"] of $9,000,000 with RBC, by way of lease agreements with RBC, to finance 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, 2018, nil [2017 – nil] has been drawn on the Lease Facility by the Alliance.

As at March 31, 2018, the total outstanding borrowings of the Alliance amounted to $12,276,417 [2017 – $6,734,919]. Of this amount, the Hospital has a $927,300 draw [2017 – $563,834] from the Capital Facility to finance the acquisition of capital assets.

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. Principal repayments required on term loans over the next two fiscal years and are as follows:

| | $ |
|---|---|
| 2019 | 21,065 |
| 2020 | 906,235 |
| | 927,300 |

## 8. Post-employment benefits

### [a] Pension plan

Substantially all of the full-time employees of the Hospital are members of the Healthcare of Ontario Pension Plan [the "HOOPP"]. As HOOPP is a multi-employer, defined benefit pension plan, no actuarial liability has been recorded on the Alliance's financial statements. Employer contributions to the HOOPP are expensed as contributions are due.

Employer contributions to the HOOPP during the year by the Hospital amounted to $519,764 [2017 – $509,035]. The most recent actuarial valuation for financial reporting purposes completed by the HOOPP as at December 31, 2017 disclosed net assets available for benefits of $77,755 million [2016 – $70,359 million] with pension obligations of $59,602 million [2016 – $54,461 million], resulting in a surplus of $18,153 million [2016 – $15,898 million]. The cost of pension benefits is determined by the HOOPP at $1.26 per every dollar of employee contributions. As at December 31, 2017, the HOOPP was 130% funded [2016 – 129%].

# Notes to financial statements

March 31, 2018

### [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-employment 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 $14,929 [2017 – $19,053].

The most recent actuarial valuation for funding purposes was completed by the Alliance's independent actuaries as at March 31, 2017.

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

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Accrued benefit obligation** | | |
| Balance, beginning of year | **744,788** | 923,769 |
| Current service cost | **43,164** | 48,037 |
| Interest cost | **28,193** | 31,856 |
| Benefits paid | **(39,644)** | (51,502) |
| Actuarial loss (gain) | **41,701** | (207,372) |
| Balance, end of year | **818,202** | 744,788 |
| Unamortized net actuarial gain | **173,943** | 230,262 |
| **Post-employment benefits** | **992,145** | 975,050 |
| Less current portion | **62,405** | 56,450 |
| | **929,740** | 918,600 |

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 gains are amortized over the expected average remaining service life of employees of the Alliance.

The Hospital's benefit plan expense is as follows:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Current service cost | **43,164** | 48,037 |
| Interest cost | **28,193** | 31,856 |
| Amortization of net actuarial loss (gain) | **(14,641)** | 3,949 |
| **Post-employment benefits expense** | **56,716** | 83,842 |

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

# Notes to financial statements

March 31, 2018

| | 2018<br>% | 2017<br>% |
|---|---|---|
| Discount rate – net accrued benefit expense | **3.67** | 3.37 |
| Discount rate – accrued benefit obligation | **3.19** | 3.67 |
| 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 12.36 years.

## 9. Deferred contributions, capital

Deferred contributions related to property and equipment are as follows:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Balance, beginning of year** | **6,477,559** | 6,206,428 |
| Additional contributions received | | |
| MoHLTC and LHIN | **827,395** | 327,379 |
| Foundation *[note 12]* | **164,530** | 485,179 |
| Other | **13,400** | 34,193 |
| Less amounts amortized to revenue | **(701,296)** | (575,620) |
| **Balance, end of year** | **6,781,588** | 6,477,559 |

There were unspent contributions included in the balance of unamortized capital contributions related to property and equipment of $15,000 [2017 – nil].

## 10. Deferred contributions, expenses of future periods

Deferred contributions, expenses of future periods represent unspent externally restricted contributions, grants and donations. The balance for the year ended March 31, 2018 is $2,186 [2017 – $5,289].

# Notes to financial statements

March 31, 2018

## 11. Commitments and contingencies

The Hospital from time to time enters into multi-year service contracts in the normal course of operations. The amount committed to these service contracts for the next five years and thereafter is as follows:

| | $ |
|---|---|
| 2019 | 270,608 |
| 2020 | 146,943 |
| 2021 | 68,223 |
| 2022 | 36,718 |
| 2023 | 17,765 |
| Thereafter | 1,413 |
| | 541,670 |

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, 2018, management believes adequate provision for losses has been made in the accounts.

The Hospital routinely engages in collective bargaining and is subject to various human rights matters under Provincial legislation when employees or groups within the bargaining units file grievances against the Hospital or when the collective bargaining agreements are negotiated, which may result in retroactive pay.

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, 2018, the total outstanding borrowings of the Alliance amounted to $12,276,417 [2017 – $6,734,919]. Of this amount, the Hospital has drawn $927,300 [note 7].

## 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 $164,530 [2017 – $485,179] were received from the Foundation for equipment purchases and capital projects. These amounts have been included in deferred contributions, capital.

# Notes to financial statements

March 31, 2018

[b] Alliance operations – Stratford General Hospital is acting as the central financial processing entity for the Alliance, processing all accounts payable 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 *[note 4]*.

Transactions are in the normal course of business and recorded at the exchange amount, which is the amount agreed upon by both parties.

## 13. Statement of cash flows

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

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Decrease (increase) in current assets** | | |
| Accounts receivable | **58,595** | (29,729) |
| Due from other Alliance entity | **(538,631)** | 215,000 |
| Inventories | **(4,065)** | (1,382) |
| Prepaid expenses | **2,706** | (10,423) |
| | **(481,395)** | 173,466 |
| **Increase (decrease) in current liabilities** | | |
| Accounts payable and accrued liabilities | **14,585** | (10,679) |
| Accrued salaries and wages | **11,912** | (16,227) |
| Deferred contributions, expenses of future periods | **(3,103)** | (3,028) |
| | **23,394** | (29,934) |
| | **(458,001)** | 143,532 |

## 14. Financial instruments

### 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.

# Notes to financial statements

March 31, 2018

*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 $140,525 [2017 – $197,420]. 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, 2018.

*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, 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.

# Seaforth Community Hospital

**Financial statements**
**March 31, 2018**


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, 2018, 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, 2018, 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 7, 2018

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

# Statement of financial position

As at March 31

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Accounts receivable *[note 3]* | **77,554** | 115,768 |
| Due from other Alliance entity *[note 4]* | **1,926,554** | 1,923,036 |
| Inventories *[note 5]* | **63,429** | 58,252 |
| Prepaid expenses | **30,807** | 36,463 |
| **Total current assets** | **2,098,344** | 2,133,519 |
| Property and equipment, net *[note 6]* | **5,240,406** | 3,921,109 |
| | **7,338,750** | 6,054,628 |
| **Liabilities and net assets** | | |
| **Current** | | |
| Bank indebtedness *[note 7]* | **1,543,434** | 1,451,234 |
| Accounts payable and accrued liabilities | **32,724** | 72,029 |
| Accrued salaries and wages | **622,755** | 629,703 |
| Current portion of post-employment benefits *[note 8[b]]* | **56,730** | 51,300 |
| Demand loan *[note 7]* | **525,150** | 493,834 |
| **Total current liabilities** | **2,780,793** | 2,698,100 |
| Term debt *[note 7]* | **363,850** | — |
| Post-employment benefits *[note 8[b]]* | **845,220** | 835,100 |
| Deferred contributions, capital *[note 9]* | **3,201,421** | 2,331,328 |
| **Total liabilities** | **7,191,284** | 5,864,528 |
| Commitments and contingencies *[note 11]* | | |
| **Net assets** | **147,466** | 190,100 |
| | **7,338,750** | 6,054,628 |

*See accompanying notes*

On behalf of the Board:

Board Chair

Treasurer

**Seaforth Community Hospital**

# Statement of changes in net assets

Year ended March 31

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| **Net assets, beginning of year** | **190,100** | 57,732 |
| Excess (deficiency) of revenue over expenses for the year | **(42,634)** | 132,368 |
| **Net assets, end of year** | **147,466** | 190,100 |

*See accompanying notes*

**Seaforth Community Hospital**

# Statement of operations

Year ended March 31

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Revenue** | | |
| Ministry of Health and Long-Term Care / South West Local Health Integration Network/ Cancer Care Ontario funding *[note 4]* | **9,761,144** | 9,534,688 |
| In-patient services | **—** | 36,400 |
| Out-patient services | **1,599,839** | 1,570,214 |
| Preferred accommodation | **82,105** | 66,965 |
| Chronic co-payment | **14,012** | 8,823 |
| Other revenue | **177,821** | 135,781 |
| Unrestricted donations and bequests | **4,112** | 5,636 |
| Amortization of deferred contributions, capital – equipment | **271,554** | 239,250 |
| | **11,910,587** | 11,597,757 |
| **Expenses** | | |
| Salaries and wages | **5,976,302** | 5,774,013 |
| Medical staff remuneration | **1,578,027** | 1,540,439 |
| Employee benefits | **1,787,339** | 1,935,740 |
| Supplies and other expenses | **1,836,310** | 1,489,511 |
| Medical and surgical supplies | **122,441** | 119,511 |
| Drugs | **168,145** | 153,463 |
| Amortization of equipment | **367,775** | 346,069 |
| Interest – non-building *[note 7]* | **1,805** | 2,825 |
| Net loss on disposal of equipment | **2,369** | — |
| | **11,840,513** | 11,361,571 |
| Excess of revenue over expenses before the following | **70,074** | 236,186 |
| Amortization of deferred contributions, capital – buildings and land improvements | **115,380** | 102,793 |
| Amortization of buildings and land improvements | **(216,366)** | (200,494) |
| Interest on demand loan *[note 7]* | **(11,722)** | (6,117) |
| | **(112,708)** | (103,818) |
| **Excess (deficiency) of revenue over expenses for the year** | **(42,634)** | 132,368 |

*See accompanying notes*

**Seaforth Community Hospital**

# Statement of cash flows

Year ended March 31

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| **Operating activities** | | |
| Excess (deficiency) of revenue over expenses for the year | **(42,634)** | 132,368 |
| Add (deduct) items not involving cash | | |
| Amortization of equipment | **367,775** | 346,069 |
| Amortization of buildings and land improvements | **216,366** | 200,494 |
| Net loss on disposal of equipment | **2,369** | — |
| Amortization of deferred contributions, capital – equipment | **(271,554)** | (239,250) |
| Amortization of deferred contributions, capital – buildings and land improvements | **(115,380)** | (102,793) |
| Post-employment benefits | **15,550** | 29,370 |
| | **172,492** | 366,258 |
| Net change in non-cash working capital balances related to operations *[note 13]* | **(11,078)** | (98,724) |
| **Cash provided by operating activities** | **161,414** | 267,534 |
| **Capital activities** | | |
| Purchase of property and equipment | **(1,906,242)** | (890,382) |
| Proceeds on disposal of property and equipment | **435** | — |
| **Cash used in capital activities** | **(1,905,807)** | (890,382) |
| **Financing activities** | | |
| Proceeds of demand loan and term debt | **395,166** | — |
| Repayments of demand loan | **—** | (18,080) |
| Contributions received related to capital | **1,257,027** | 508,405 |
| **Cash provided by financing activities** | **1,652,193** | 490,325 |
| **Net decrease in cash during the year** | **(92,200)** | (132,523) |
| Bank indebtedness, beginning of year | **(1,451,234)** | (1,318,711) |
| **Bank indebtedness, end of year** | **(1,543,434)** | (1,451,234) |

*See accompanying notes*

**Seaforth Community Hospital**

# Notes to financial statements

March 31, 2018

## 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"], and Cancer Care Ontario ["CCO"]. 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, is a member 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 *CPA Canada Public Sector* ["PS"] *Accounting 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.

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.

# Notes to financial statements

March 31, 2018

### [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 initially deferred when recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of property and equipment are initially 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 is 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 following estimated useful lives of the assets:

| | |
|---|---|
| **Tangible** | |
| Land improvements | 10–40 years |
| Buildings | 10–50 years |
| Furnishings and equipment | 3–25 years |
| Computer hardware | 3–5 years |
| | |
| **Intangible** | |
| Computer software | 3–5 years |

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.

# Notes to financial statements

March 31, 2018

### [e] Contributed materials and services

Volunteers contribute a significant amount of time each year. Due to the difficulty of determining the fair value, these contributed services are not recognized or disclosed in the financial statements and related notes. Contributed materials are recognized in the financial statements at their fair market value if the fair value can be reasonably estimated.

### [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 active employees, which is equal to 12.36 years.

### [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 or losses

Remeasurement gains or losses are reported according to their nature, including changes in market value for derivatives, portfolio investments in equity instruments and financial instruments that have been designated to the fair value category. Also included are gains or losses in foreign exchange for items denominated in a foreign currency. As at March 31, 2018, there was no change in the accumulative deficiency of revenues over expenses for the fair value changes or foreign currency translation. Therefore, the statement of remeasurement gains and losses has not been disclosed.

# Notes to financial statements

March 31, 2018

### [j] Change in accounting policy

During the year, the Hospital adopted the new accounting standards PS 2200, Related Party Disclosures, and PS 3420, Inter-Entity Transactions. These new standards are effective for fiscal years beginning on or after April 1, 2017. PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The new accounting standards were applied on a prospective basis and did not have any impact on the financial statements.

## 3. Accounts receivable

Accounts receivable consist of the following:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Insurers and patients | **87,234** | 130,926 |
| Other | **7,320** | 6,242 |
| | **94,554** | 137,168 |
| Less allowance for doubtful accounts | **17,000** | 21,400 |
| | **77,554** | 115,768 |

## 4. Huron Perth Healthcare Alliance

The combined operating surplus/deficit 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 surplus/deficit.

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Seaforth Community Hospital provincial funding | **7,398,396** | 7,269,334 |
| Adjustment for the Hospital's share of the Alliance operating surplus/deficit | **2,362,748** | 2,265,354 |
| Provincial funding adjusted revenue | **9,761,144** | 9,534,688 |

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 surplus/deficit 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 from Stratford General Hospital as at March 31, 2018 is $1,926,554 [2017 – $1,923,036]. This amount is non-interest bearing with no set repayment terms.

# Notes to financial statements

March 31, 2018

Transactions are in the normal course of business and recorded at the exchange amount, which is the amount agreed upon by both parties.

## 5. Inventories

During the year, the Hospital expensed $255,943 [2017 – $313,843] of inventories. There were no write-downs of inventories to net realizable value or any write-down reversals during the year or prior year.

## 6. Property and equipment

Property and equipment consist of the following:

| | 2018 | | |
|---|---|---|---|
| | Cost | Accumulated amortization | Net book value |
| | $ | $ | $ |
| **Tangible** | | | |
| Land | **16,240** | **—** | **16,240** |
| Land improvements | **248,826** | **210,573** | **38,253** |
| Buildings | **6,108,554** | **3,305,094** | **2,803,460** |
| Furnishings and equipment | **5,126,736** | **4,636,878** | **489,858** |
| Computer hardware | **511,071** | **390,120** | **120,951** |
| Construction in progress | **1,519,445** | **—** | **1,519,445** |
| | **13,530,872** | **8,542,665** | **4,988,207** |
| **Intangible** | | | |
| Computer software | **805,068** | **552,869** | **252,199** |
| | **14,335,940** | **9,095,534** | **5,240,406** |

| | 2017 | | |
|---|---|---|---|
| | Cost | Accumulated amortization | Net book value |
| | $ | $ | $ |
| **Tangible** | | | |
| Land | 16,240 | — | 16,240 |
| Land improvements | 248,826 | 201,845 | 46,981 |
| Buildings | 5,704,204 | 3,097,455 | 2,606,749 |
| Furnishings and equipment | 5,105,641 | 4,494,997 | 610,644 |
| Computer hardware | 485,572 | 342,461 | 143,111 |
| Construction in progress | 198,029 | — | 198,029 |
| | 11,758,512 | 8,136,758 | 3,621,754 |

| | | | |
|---|---|---|---|
| **Intangible** | | | |
| Computer software | 706,461 | 407,106 | 299,355 |
| | 12,464,973 | 8,543,864 | 3,921,109 |

## 7. Demand loans and term debt

The Hospital has a joint and several obligation for the borrowings of the Alliance under the following loan facilities with the Canadian Imperial Bank of Commerce ["CIBC"] and the Royal Bank of Canada ["RBC"].

[a] Revolving demand facility [the "Facility"] of $7,000,000 with RBC to finance general operating requirements. The Facility bears interest at bank prime [3.45%] minus 0.65%. As at March 31, 2018, nil [2017 – nil] has been drawn on the Facility by the Alliance.

[b] Revolving demand facility [the "Capital Facility"] of $25,000,000 [2017 – $25,000,000] with RBC to finance the acquisition of capital assets, including equipment and property. The Capital Facility bears interest at various rates depending on the term. As at March 31, 2018, $6,437,999 [2017 – $4,026,500] has been drawn on the Capital Facility by the Alliance, of which $506,000 [2017 – $493,834] is attributable to the Hospital.

[c] Term facility [the "SSRP Facility"] with RBC that was used to finance the completion of the Stratford Site Redevelopment Project The SSRP Facility bears interest at bank prime [3.45%] minus 0.65%. As at March 31, 2018, $2,008,418 [2017 – $2,008,419] is outstanding from the Alliance on the SSRP Facility, of which nil [2017 – nil] is attributable to the hospital. 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 principal payment due March 31, 2018 was not withdrawn until April 2, 2018. The maturity date of this facility is March 31, 2019.

[d] A committed installment loan [the "Co-Gen Facility"] with CIBC that is being used to finance the Energy Co-Generation Project at the Stratford site. The Co-Gen Facility bears interest at bank prime [3.45%] minus 0.75% and is due on demand. As at March 31, 2018, $3,830,000 [2017 – $700,000] is outstanding from the Alliance, of which $383,000 [2017 – nil] is attributable to the Hospital. The commitment period of this facility will expire on April 30, 2020.

[e] Revolving lease line of credit [the "Lease Facility"] of $9,000,000 with the RBC, by way of lease agreements with RBC, to finance 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, 2018, nil [2017 – nil] has been drawn on the Lease Facility by the Alliance.

As at March 31, 2018, the total outstanding borrowings of the Alliance amounted to $12,276,417 [2017 – $6,734,919]. Of this amount, the Hospital has a $889,000 draw [2017 – $493,834] from the Capital Facility to finance the acquisition of capital assets. The Hospital also has a bank overdraft of $1,543,434 [2017 – $1,451,234].

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. Principal repayments required on term loans over the next two fiscal years as follows:

| | $ |
|---|---|
| 2019 | 19,150 |
| 2020 | 363,850 |
| | 383,000 |

## 8. Post-employment benefits

### [a] Pension plan

Substantially all of the full-time employees of the Hospital are members of the Healthcare of Ontario Pension Plan [the "HOOPP"]. As the HOOPP is a multi-employer, defined benefit pension plan, no actuarial liability has been recorded on the Alliance's financial statements. Employer contributions to the HOOPP are expensed as contributions are due.

Employer contributions to the HOOPP during the year by the Hospital amounted to $528,084 [2017 – $510,345]. The most recent actuarial valuation for financial reporting purposes completed by the HOOPP as at December 31, 2017 disclosed net assets available for benefits of $77,755 million [2016 – $70,359 million] with pension obligations of $59,602 million [2016 – $54,461 million], resulting in a surplus of $18,153 million [2016 – $15,898 million]. The cost of pension benefits is determined by the HOOPP at $1.26 per every dollar of employee contributions. As at December 31, 2017, the HOOPP was 130% funded [2016 – 129%].

### [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-employment 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 $25,922 [2017 – $30,337].

The most recent actuarial valuation for funding purposes was completed by the Alliance's independent actuaries as at March 31, 2017.

# Notes to financial statements

March 31, 2018

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

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Accrued benefit obligation** | | |
| Balance, beginning of year | **677,080** | 839,790 |
| Current service cost | **39,240** | 43,670 |
| Interest cost | **25,630** | 28,960 |
| Benefits paid | **(36,040)** | (46,820) |
| Actuarial loss (gain) | **37,910** | (188,520) |
| Balance, end of year | **743,820** | 677,080 |
| Unamortized net actuarial gain | **158,130** | 209,320 |
| **Post-employment benefits** | **901,950** | 886,400 |
| Less current portion | **56,730** | 51,300 |
| | **845,220** | 835,100 |

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 gains are amortized over the expected average remaining service life of employees of the Alliance.

The Hospital's benefit plan expense is as follows:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Current service cost | **39,240** | 43,670 |
| Interest cost | **25,630** | 28,960 |
| Amortization of net actuarial loss (gain) | **(13,310)** | 3,590 |
| **Post-employment benefits expense** | **51,560** | 76,220 |

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

| | 2018<br>% | 2017<br>% |
|---|---|---|
| Discount rate – net accrued benefit expense | **3.67** | 3.37 |
| Discount rate – accrued benefit obligation | **3.19** | 3.67 |
| 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 12.36 years.

## 9. Deferred contributions, capital

Deferred contributions related to property and equipment are as follows:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Balance, beginning of year** | **2,331,328** | 2,164,966 |
| Additional contributions received | | |
| MoHLTC and LHIN | **1,193,676** | 344,928 |
| Foundation *[note 12]* | **51,169** | 132,392 |
| Other | **12,182** | 31,085 |
| Amounts amortized to revenue | **(386,934)** | (342,043) |
| **Balance, end of year** | **3,201,421** | 2,331,328 |

There were no unspent contributions included in the balance of unamortized capital contributions related to property and equipment [2017 – nil].

## 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, 2018, no deferred contributions were outstanding [2017 – nil].

# Notes to financial statements

March 31, 2018

## 11. Commitments and contingencies

The Hospital from time to time enters into multi-year service contracts in the normal course of operations. The amount committed to these service contracts for the next five years and thereafter is as follows:

| | $ |
|---|---|
| 2019 | 246,007 |
| 2020 | 133,584 |
| 2021 | 62,021 |
| 2022 | 33,380 |
| 2023 | 16,150 |
| Thereafter | 1,285 |
| | 492,428 |

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, 2018, management believes adequate provision for losses has been made in the accounts.

The Hospital routinely engages in collective bargaining and is subject to various human rights matters under Provincial legislation when employees or groups within the bargaining units file grievances against the Hospital or when the collective bargaining agreements are negotiated, which may result in retroactive pay.

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, 2018, the total outstanding borrowings of the Alliance amounted to $12,276,417 [2017 – $6,734,919]. Of this amount, the Hospital has drawn $889,000 [2017 – $493,834] *[note 7]*.

## 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 $51,169 [2017 – $132,392] were received from the Foundation for equipment purchases and capital projects. These amounts have been included in deferred contributions, capital.

# Notes to financial statements

March 31, 2018

[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 *[note 4]*.

Transactions are in the normal course of business and recorded at the exchange amount, which is the amount agreed upon by both parties.

## 13. Statement of cash flows

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

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Decrease (increase) in current assets** | | |
| Accounts receivable | **38,214** | (1,835) |
| Due from other Alliance entity | **(3,518)** | 145,820 |
| Inventories | **(5,177)** | (3,283) |
| Prepaid expenses | **5,656** | (13,303) |
| | **35,175** | 127,399 |
| **Increase (decrease) in current liabilities** | | |
| Accounts payable and accrued liabilities | **(39,305)** | (229,626) |
| Accrued salaries and wages | **(6,948)** | 3,503 |
| | **(46,253)** | (226,123) |
| | **(11,078)** | (98,724) |

## 14. Financial instruments

### 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.

# Notes to financial statements

March 31, 2018

*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 $94,554 [2017 – $137,168]. 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, 2018.

*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, accrued liabilities 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.

# Stratford General Hospital

**Financial statements**
**March 31, 2018**

# 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, 2018, 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, 2018, 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 7, 2018

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

# Statement of financial position

As at March 31

| | 2018 | 2017 |
|---|---|---|
| | $ | $ |
| **Assets** | | |
| **Current** | | |
| Cash | **5,104,442** | 4,356,058 |
| Accounts receivable *[notes 3 and 14]* | **4,119,930** | 3,560,755 |
| Due from other Alliance entity *[note 4]* | **—** | 250,569 |
| Grant receivable | **42,034** | — |
| Inventories *[note 5]* | **1,606,603** | 1,632,599 |
| Prepaid expenses | **979,975** | 862,702 |
| **Total current assets** | **11,852,984** | 10,662,683 |
| Long-term investments *[note 6]* | **460,233** | 460,233 |
| Grant receivable | **—** | 1,050,000 |
| Property and equipment, net *[note 7]* | **74,412,281** | 70,243,766 |
| | **86,725,498** | 82,416,682 |
| **Liabilities and net assets** | | |
| **Current** | | |
| Accounts payable and accrued liabilities | **10,099,968** | 10,005,069 |
| Due to other Alliance entities *[note 4]* | **3,897,600** | 2,871,180 |
| Accrued salaries and wages | **5,819,504** | 5,480,793 |
| Current portion of post-employment benefits *[note 9[b]]* | **368,745** | 333,600 |
| Deferred contributions, expenses of future periods *[note 11]* | **322,607** | 175,692 |
| Demand loans and current portion of term debt *[note 8]* | **5,332,475** | 3,319,000 |
| **Total current liabilities** | **25,840,899** | 22,185,334 |
| Term debt *[note 8]* | **4,085,443** | 1,864,418 |
| Post-employment benefits *[note 9[b]]* | **5,493,930** | 5,428,200 |
| Deferred contributions, capital *[note 10]* | **50,749,347** | 51,786,802 |
| **Total liabilities** | **86,169,619** | 81,264,754 |
| Commitments and contingencies *[note 13]* | | |
| **Net assets** | | |
| Endowments *[note 12]* | **119,719** | 119,719 |
| Unrestricted | **436,160** | 1,032,209 |
| **Total net assets** | **555,879** | 1,151,928 |
| | **86,725,498** | 82,416,682 |

*See accompanying notes*

On behalf of the Board:

Board Chair

Treasurer

**Stratford General Hospital**

# Statement of changes in net assets

Year ended March 31

| | 2018 | | | 2017 |
|---|---|---|---|---|
| | **Endowments** | **Unrestricted** | **Total** | **Total** |
| | $ | $ | $ | $ |
| | *[note 12]* | | | |
| **Balance, beginning of year** | **119,719** | **1,032,209** | **1,151,928** | 498,533 |
| Excess (deficiency) of revenue over expenses for the year | | **(596,049)** | **(596,049)** | 653,395 |
| **Balance, end of year** | **119,719** | **436,160** | **555,879** | 1,151,928 |

*See accompanying notes*

**Stratford General Hospital**

# Statement of operations

Year ended March 31

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Revenue** | | |
| Ministry of Health and Long-Term Care / South West Local Health Integration Network/ Cancer Care Ontario funding *[note 4]* | **81,108,238** | 79,163,813 |
| In-patient services | **228,691** | 334,813 |
| Out-patient services | **8,131,760** | 7,790,138 |
| Preferred accommodation | **581,028** | 557,709 |
| Chronic co-payment | **29,634** | 1,297 |
| Other revenue *[note 6]* | **9,478,845** | 8,925,833 |
| Unrestricted donations and bequests | **67,452** | 93,176 |
| Amortization of deferred contributions, capital – equipment | **1,526,568** | 2,104,517 |
| | **101,152,216** | 98,971,296 |
| **Expenses** | | |
| Salaries and wages | **48,792,210** | 46,159,717 |
| Medical staff remuneration | **11,549,843** | 11,466,435 |
| Employee benefits | **14,128,650** | 13,931,937 |
| Supplies and other expenses | **16,210,253** | 16,615,351 |
| Medical and surgical supplies | **4,239,377** | 3,899,757 |
| Drugs | **3,727,251** | 2,725,238 |
| Amortization of equipment | **2,151,295** | 2,628,192 |
| Interest – non-building *[note 8]* | **11,101** | 9,458 |
| Net gain on disposal of equipment | **(113,243)** | — |
| | **100,696,737** | 97,436,085 |
| Excess of revenue over expenses before the following | **455,479** | 1,535,211 |
| Amortization of deferred contributions, capital – buildings and land improvements | **3,187,423** | 3,225,235 |
| Amortization of buildings and land improvements | **(4,101,603)** | (4,039,317) |
| Interest expense *[note 8]* | **(137,348)** | (67,734) |
| | **(1,051,528)** | (881,816) |
| **Excess (deficiency) of revenue over expenses for the year** | **(596,049)** | 653,395 |

*See accompanying notes*

**Stratford General Hospital**

# Statement of cash flows

Year ended March 31

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Operating activities** | | |
| Excess (deficiency) of revenue over expenses for the year | **(596,049)** | 653,395 |
| Add (deduct) items not involving cash | | |
| Amortization of equipment | **2,151,295** | 2,628,192 |
| Amortization of buildings and land improvements | **4,101,603** | 4,039,317 |
| Net on disposal of equipment | **(113,243)** | — |
| Amortization of deferred contributions, capital – equipment | **(1,526,568)** | (2,104,517) |
| Amortization of deferred contributions, capital – buildings and land improvements | **(3,187,423)** | (3,225,235) |
| Deferred contributions – operating | **—** | (60,256) |
| Post-employment benefits | **100,875** | 191,105 |
| Increase in long-term investments | **—** | (175,966) |
| | **930,490** | 1,946,035 |
| Net change in non-cash working capital balances related to operations *[note 15]* | **1,165,028** | 2,653,022 |
| **Cash provided by operating activities** | **2,095,518** | 4,599,057 |
| **Capital activities** | | |
| Purchase of property and equipment | **(10,445,003)** | (5,414,743) |
| Proceeds on disposal of property and equipment | **136,833** | — |
| **Cash used in capital activities** | **(10,308,170)** | (5,414,743) |
| **Financing activities** | | |
| Repayment of demand loans | **(1,866,500)** | (847,500) |
| Proceeds of demand loans and term debt | **6,101,000** | 3,132,500 |
| Repayment of term debt | **—** | (144,000) |
| Contributions received related to capital | **4,726,536** | 2,823,828 |
| **Cash provided by financing activities** | **8,961,036** | 4,964,828 |
| **Net increase in cash during the year** | **748,384** | 4,149,142 |
| Cash, beginning of year | **4,356,058** | 206,916 |
| **Cash, end of year** | **5,104,442** | 4,356,058 |

*See accompanying notes*

**Stratford General Hospital**

# Notes to financial statements

March 31, 2018

## 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"], and Cancer Care Ontario ["CCO"]. 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, is a member 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"] and a Multi-Sector Service 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 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 *CPA Canada Public Sector* ["PS"] *Accounting 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 grants 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.

# Notes to financial statements

March 31, 2018

### [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 initially deferred when recorded in the accounts 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 initially 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 is 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.

### [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 following estimated useful lives of the assets:

| | |
|---|---|
| **Tangible** | |
| Land improvements | 10–40 years |
| Buildings | 10–50 years |
| Furnishings and equipment | 3–25 years |
| Computer hardware | 3–5 years |
| | |
| **Intangible** | |
| Computer software | 3–5 years |

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**

Volunteers contribute a significant amount of time each year. Due to the difficulty of determining the fair value, these contributed services are not recognized or disclosed in the financial statements and related notes. Contributed materials are recognized in the financial statements at their fair market value if the fair value can be reasonably estimated.

**[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 active employees, which is equal to 12.36 years.

**[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, 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.

# Notes to financial statements

March 31, 2018

### [j] Remeasurement gains or losses

Remeasurement gains or losses are reported according to their nature, including changes in market value for derivatives, portfolio investments in equity instruments and financial instruments that have been designated to the fair value category. Also included are gains or losses in foreign exchange for items denominated in a foreign currency. As at March 31, 2018, there was no change in the accumulative deficiency of revenues over expenses for the fair value changes or foreign currency translation. Therefore, the statement of remeasurement gains and losses has not been disclosed.

### [k] Change in accounting policy

During the year, the Hospital adopted the new accounting standards PS 2200, Related Party Disclosures, and PS 3420, Inter-entity Transactions. These new standards are effective for fiscal years beginning on or after April 1, 2017. PS 2200 defines a related party and establishes disclosures required for related party transactions. PS 3420 establishes standards on how to account for and report transactions between public sector entities that comprise a government's reporting entity from both a provider and recipient perspective. The new accounting standards were applied on a prospective basis and did not have any impact on the financial statements.

## 3. Accounts receivable

Accounts receivable consist of the following:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Ministry of Health and Long-Term Care / South West Local Health Integration Network/ Cancer Care Ontario funding | **477,254** | 249,721 |
| Insurers and patients | **1,256,913** | 1,262,761 |
| Other | **2,615,263** | 2,277,273 |
| | **4,349,430** | 3,789,755 |
| Less allowance for doubtful accounts | **229,500** | 229,000 |
| | **4,119,930** | 3,560,755 |

# Notes to financial statements

March 31, 2018

## 4. Huron Perth Healthcare Alliance

The combined operating surplus/deficit 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 surplus/deficit.

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Stratford General Hospital provincial funding | **86,578,353** | 84,043,231 |
| Adjustment for the Hospital's share of the Alliance operating surplus/deficit | **(5,470,115)** | (4,724,238) |
| Transfer of cataract funding to Clinton Public Hospital | — | (155,180) |
| Provincial funding adjusted revenue | **81,108,238** | 79,163,813 |

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 surplus/deficit 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:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Clinton Public Hospital | **—** | 250,569 |

Amounts owing to other Alliance Hospitals per the Alliance agreement are non-interest bearing with no set repayment terms and are as follows:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Seaforth Community Hospital | **1,926,554** | 1,923,036 |
| St. Marys Memorial Hospital | **1,486,775** | 948,144 |
| Clinton Public Hospital | **484,271** | — |
| | **3,897,600** | 2,871,180 |

Transactions are in the normal course of business and recorded at the exchange amount, which is the amount agreed upon by both parties.

# Notes to financial statements

March 31, 2018

## 5. Inventories

During the year, the Hospital expensed $6,696,895 [2017 – $6,857,626] of inventories. There were no write-downs of inventories to net realizable value or any write-down reversals during the year or prior year.

## 6. Long-term investments

Long-term investments consist of the following:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Guaranteed investment certificate | **119,719** | 119,719 |
| Horizon ProResp Inc. | **340,514** | 340,514 |
| | **460,233** | 460,233 |

**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.

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Common share investment – 50% of common share capital | **55,657** | 55,657 |
| Share of income since incorporation | **284,857** | 284,857 |
| | **340,514** | 340,514 |

Management fees of $314,000 [2017 – $344,000] from Horizon ProResp Inc. have been recorded as other revenue. Transactions are in the normal course of business and recorded at the exchange amount, which is the amount agreed upon by both parties.

# Notes to financial statements

March 31, 2018

## 7. Property and equipment

Property and equipment consist of the following:

| | 2018 | | |
|---|---|---|---|
| | Cost | Accumulated amortization | Net book value |
| | $ | $ | $ |
| **Tangible** | | | |
| Land | **12,419** | **—** | **12,419** |
| Other non-amortized assets | **147,010** | **—** | **147,010** |
| Land improvements | **1,354,058** | **1,073,471** | **280,587** |
| Buildings | **112,374,202** | **51,610,461** | **60,763,741** |
| Furnishings and equipment | **36,955,614** | **32,273,410** | **4,682,204** |
| Computer hardware | **3,802,541** | **3,010,849** | **791,692** |
| Construction in progress | **6,135,185** | **—** | **6,135,185** |
| | **160,781,029** | **87,968,191** | **72,812,838** |
| **Intangible** | | | |
| Computer software | **6,576,714** | **4,977,271** | **1,599,443** |
| | **167,357,743** | **92,945,462** | **74,412,281** |

| | 2017 | | |
|---|---|---|---|
| | Cost | Accumulated amortization | Net book value |
| | $ | $ | $ |
| **Tangible** | | | |
| Land | 12,419 | — | 12,419 |
| Other non-amortized assets | 147,010 | — | 147,010 |
| Land improvements | 1,354,058 | 1,054,083 | 299,975 |
| Buildings | 109,620,288 | 47,528,247 | 62,092,041 |
| Furnishings and equipment | 37,286,622 | 33,364,899 | 3,921,723 |
| Computer hardware | 3,636,801 | 2,672,396 | 964,405 |
| Construction in progress | 1,064,101 | — | 1,064,101 |
| | 153,121,299 | 84,619,625 | 68,501,674 |
| **Intangible** | | | |
| Computer software | 5,927,860 | 4,185,768 | 1,742,092 |
| | 159,049,159 | 88,805,393 | 70,243,766 |

# Notes to financial statements

March 31, 2018

## 8. Demand loans and term debt

The Hospital has a joint and several obligation for the borrowings of the Alliance under the following loan facilities with the Canadian Imperial Bank of Commerce ["CIBC"] and the Royal Bank of Canada ["RBC"].

[a] Revolving demand facility [the "Facility"] of $7,000,000 with RBC to finance general operating requirements. The Facility bears interest at bank prime [3.45%] minus 0.65%. As at March 31, 2018, nil [2017 – nil] has been drawn on the Facility by the Alliance.

[b] Revolving demand facility [the "Capital Facility"] of $25,000,000 [2017 – $25,000,000] with RBC to finance the acquisition of capital assets including equipment and property. The Capital Facility bears interest at various rates depending on the term. As at March 31, 2018, $6,437,999 [2017 – $4,026,501] has been drawn on the Capital Facility by the Alliance, of which $4,920,000 [2017 – $2,475,000] is attributable to the Hospital.

[c] Term facility [the "SSRP Facility"] with RBC that was used to finance the completion of the Stratford Site Redevelopment Project. The SSRP Facility bears interest at bank prime [3.45%] minus 0.65%. As at March 31, 2018, $2,008,418 [2017 – $2,008,418] is outstanding from the Alliance on the SSRP Facility. 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 principal payment due March 31, 2018 was not withdrawn until April 2, 2018. The SSRP Facility has a maturity date of March 31, 2019.

[d] A committed installment loan with CIBC that is being used to finance the Energy Co-Generation Project at the Stratford site [the "Co-Gen Facility"]. The Co-Gen Facility bears interest at bank prime [3.45%] minus 0.75% and is due on demand. As at March 31, 2018, $3,830,000 [2017 – $700,000] is outstanding from the Alliance, of which $2,489,500 [2017 – $700,000] is attributable to the Hospital. The commitment period of this facility will expire on April 30, 2020.

[e] Revolving lease line of credit [the "Lease Facility"] of $9,000,000 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, 2018, the Hospital has a nil [2017 – nil] draw on the Lease Facility.

As at March 31, 2018, the total outstanding borrowings of the Alliance amounted to $12,276,417 [2017 – $6,734,919]. Of this amount, the Hospital has the following borrowings outstanding:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Demand loans | **4,920,000** | 3,175,000 |
| Current portion of term loans | **412,475** | 144,000 |
| **Total demand loans and current portion of term loans** | **5,332,475** | 3,319,000 |
| **Term loans** | **4,085,443** | 1,864,418 |

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. Principal repayments required on term loans over the next five fiscal years and thereafter are as follows:

| | $ |
|---|---|
| 2019 | 412,475 |
| 2020 | 4,085,443 |
| | 4,497,918 |

## 9. Post-employment benefits

### [a] Pension plan

Substantially all of the full-time employees of the Hospital are members of the Healthcare of Ontario Pension Plan [the "HOOPP"]. As the HOOPP is a multi-employer, defined benefit pension plan, no actuarial liability has been recorded on the Alliance's financial statements. Employer contributions to the HOOPP are expensed as contributions are due.

Employer contributions to the HOOPP during the year by the Hospital amounted to $4,027,648 [2017 – $3,859,222]. The most recent actuarial valuation for financial reporting purposes completed by the HOOPP as at December 31, 2017 disclosed net assets available for benefits of $77,755 million [2016 – $70,359 million] with pension obligations of $59,602 million [2016 – $54,461 million], resulting in a surplus of $18,153 million [2016 – $15,898 million]. The cost of pension benefits is determined by the HOOPP at $1.26 per every dollar of employee contributions. As at December 31, 2017, the HOOPP was 130% funded [2016 – 129%].

### [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-employment 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 totaled $155,657 [2017 – $175,681].

The most recent actuarial valuation for funding purposes was completed by the Alliance's independent actuaries as at March 31, 2017.

# Notes to financial statements

March 31, 2018

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

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Accrued benefit obligation** | | |
| Balance, beginning of year | **4,401,020** | 5,458,635 |
| Current service cost | **255,060** | 283,855 |
| Interest cost | **166,595** | 188,240 |
| Benefits paid | **(234,260)** | (304,330) |
| Actuarial loss (gain) | **246,415** | (1,225,380) |
| Balance, end of year | **4,834,830** | 4,401,020 |
| Unamortized net actuarial gain | **1,027,845** | 1,360,780 |
| **Post-employment benefits** | **5,862,675** | 5,761,800 |
| Less: current portion | **368,745** | 333,600 |
| | **5,493,930** | 5,428,200 |

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 gains are amortized over the expected average remaining service life of employees of the Alliance.

The Hospital's benefit plan expense is as follows:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Current service cost | **255,060** | 283,855 |
| Interest cost | **166,595** | 188,240 |
| Amortization of net actuarial loss | **(86,515)** | 23,335 |
| **Post-employment benefits expense** | **335,140** | 495,430 |

# Notes to financial statements

March 31, 2018

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

| | 2018<br>% | 2017<br>% |
|---|---|---|
| Discount rate – net accrued benefit expense | **3.67** | 3.37 |
| Discount rate – accrued benefit obligation | **3.19** | 3.67 |
| 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 12.36 years.

## 10. Deferred contributions, capital

Deferred contributions related to property and equipment are as follows:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Balance, beginning of year** | **51,786,802** | 55,352,982 |
| Additional contributions received | | |
| MoHLTC and LHIN, net | **1,993,549** | 429,659 |
| Foundation *[note 14]* | **1,603,806** | 1,192,120 |
| Other | **79,181** | 202,049 |
| Amounts amortized to revenue | **(4,713,991)** | (5,329,752) |
| Amounts recognized in other revenue | **—** | (60,256) |
| **Balance, end of year** | **50,749,347** | 51,786,802 |

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

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Unamortized capital contributions used to purchase property and equipment | **50,703,454** | 51,704,144 |
| Unspent contributions | **45,893** | 82,658 |
| | **50,749,347** | 51,786,802 |

# Notes to financial statements

March 31, 2018

## 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:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Balance, beginning of year** | **175,692** | — |
| Contributions, grants and donations | **600,000** | 180,382 |
| Amounts earned | **(453,085)** | (4,690) |
| **Balance, end of year** | **322,607** | 175,692 |

The deferred contributions will be spent as follows:

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| Mental health programs | **1,215** | 80,382 |
| Change Foundation | **321,392** | 95,310 |
| | **322,607** | 175,692 |

## 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 $1,582 [2017 – $2,314] and was included in deferred contributions, capital during the year.

## 13. Commitments and contingencies

The Hospital from time to time enters into multi-year service contracts in the normal course of operations. The amount committed to these service contracts for the next five years and thereafter is as follows:

| | $ |
|---|---|
| 2019 | 1,599,046 |
| 2020 | 868,297 |
| 2021 | 403,138 |
| 2022 | 216,969 |
| 2023 | 104,977 |
| Thereafter | 8,353 |
| | 3,200,780 |

# Notes to financial statements

March 31, 2018

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, 2018, management believes adequate provision for losses has been made in the accounts.

The Hospital routinely engages in collective bargaining and is subject to various human rights matters under Provincial legislation when employees or groups within the bargaining units file grievances against the Hospital or when the collective bargaining agreements are negotiated, which may result in retroactive pay.

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, 2018, the total outstanding borrowings of the Alliance amounted to $12,276,417 [2017 – $6,734,919]. Of this amount, the Hospital has drawn $9,417,918 *[note 8]*.

## 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 $1,603,806 [2017 – $1,192,120] 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, 2018, an amount of $43,887 [2017 – $36,090] was due from the Foundation. The amount is non-interest bearing and due on demand.

[b] Alliance operations – The 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]*.

Transactions are in the normal course of business and recorded at the exchange amount, which is the amount agreed upon by both parties.

# Notes to financial statements

March 31, 2018

## 15. Statement of cash flows

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

| | 2018<br>$ | 2017<br>$ |
|---|---|---|
| **Decrease (increase) in current assets** | | |
| Accounts receivable | **(559,175)** | 559,910 |
| Grant receivable | **(42,034)** | — |
| Due from other Alliance entity | **250,569** | 445,353 |
| Inventories | **25,996** | (142,713) |
| Prepaid expenses | **(117,273)** | 39,086 |
| | **(441,917)** | 901,636 |
| **Increase (decrease) in current liabilities** | | |
| Accounts payable and accrued liabilities | **94,899** | 2,501,413 |
| Due to other Alliance entities | **1,026,420** | (360,820) |
| Accrued salaries and wages | **338,711** | (564,899) |
| Deferred contributions, expenses of future periods | **146,915** | 175,692 |
| | **1,606,945** | 1,751,386 |
| | **1,165,028** | 2,653,022 |

## 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 OMP of $4,560,963 [2017 – $4,027,490] are included in the statement of operations. The excess of OMP funding over OMP allowed expenses for 2018 is $136,413 [2017 – $350,444], which is due to the MoHLTC OMP and is included in accounts payable and accrued liabilities as at March 31, 2018.

# Notes to financial statements

March 31, 2018

## 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 guaranteed investment certificate held by the Hospital is classified as Level 2 according to the fair value hierarchy described above. There were no material transfers between Levels 1 and 2 for the year ended March 31, 2018.

### 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 totaled $3,872,175 [2017 – $3,540,034]. 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, 2018.

# Notes to financial statements

March 31, 2018

*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, 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.

# NOMINATING REPORT

2017/2018

# *Huron Perth Healthcare Alliance*

## *Nominating Committee Report*

The Huron Perth Healthcare Alliance Board of Directors received and approved the following recommendations from the Governance & Stakeholder Relations Committee at their June 7th, 2018 meeting.

The Board of Directors is pleased to present the following slate for acclamation:

For three-year term appointment:

- *Reappointment of Steve Hearn from the catchment area served by the St. Marys Memorial Hospital*

For two-year term appointments:

- *Appointment of Joe Looby as Regional Representative of the primary catchment area served by Stratford General Hospital*
- *Reappointment of Olga Palmer from the catchment area served by the Clinton Public Hospital*
- *Rena Spevack from the City of Stratford*

Since this slate fills all existing vacancies, these candidates are acclaimed as Directors of the Alliance as of the end of the Annual General Meeting.

# AUXILIARY & VOLUNTEER REPORTS

2017/2018

# *Clinton Public Hospital*
## *Auxiliary Report*
## *2017/2018*

The CPH auxiliary between April 1,2017-March 31st 2018,had 9 regular meetings our Feb. meeting was cancelled due to snow and attendees, were an average of 29. Our volunteer hours for the year totalled 9,722.

In April we held our Annual meeting and again we donated $15,000. to the CPH foundation to purchase equipment for our patients.

We also donated $500. in scholarships to a student from each of our high schools to be used in post secondary school in their continuing education in a medical field.

Throughout the year we have varied events :

- April we had coffee mornings for cancer and our new hospice
- May we had tag day all around Clinton, new 50/50 tickets
- June is a 2 day event during our Clinton's Spring Fair selling hot dogs
- July was legends (a horse race) event
- September was our Penny sale which is a 2 week event
- November Gift of lights sale for our annual event to honour loved ones and the 50/50 ticket was drawn
- December was our Christmas Silent Auction & bake sale
- January found us getting 50/50 tickets again
- March Irish Stew luncheon
- Gift Shop sales

Our Volunteers include the gift shop knitting & quilting for the shop and draws at events. We help out with cataract clinics and other procedures including colonoscopy patients. We also work the information desk.

This past year we have sent 3 people to the fall conference in Toronto,14 at the spring conference in Wingham also a presidents meeting that 3 of us attended in Seaforth.

Also this past year I have been co/president with Dianne Stevenson due to an ongoing illness. We have an enormous amount of talent and dedication, this year has shown me our Volunteers give so much of themselves to our patients and families.

Respectfully submitted,
*Marsha Taylor,*
President

# *St. Marys Memorial Hospital*
## *Auxiliary & Volunteer Report*
## *2017/2018*

**Auxiliary Report**
*Submitted by Cathie Szmon, SMMH Auxiliary President*

Another successful year was had by The St. Marys Memorial Hospital Auxiliary. In addition to our gift shop sales we had a number of other fundraising activities. Three Bake Sales held in the Thames Valley Recreation Centre, three Bingos held at the PRC, our annual booth at the Heritage Festival and the Vendor Sale at Kingsway Lodge. We also had very successful Open Houses at the home of Laurie Arthur in December and Gayle Beattie in April. The Gift Shop and the activities raise money to support the St. Marys Memorial Hospital.

Our annual bursary to a student entering a medical related field was a one-time $500.00 payout to a DCVI student in June. This year it went to Macie McLean.

This year the Auxiliary was able to make multiple capital purchases for the hospital. Items purchased were the ER Trolley Cabinets $452.00, Digital Slit Lamp $11,385. In addition to capital purchases we pay for the cable for the TV's the Auxiliary donated $480. In total, we have donated $12,317.00.

We continue to cover the annual costs of the "Posie Socks", as mentioned above the cable for the TV's as well as the activity packages the nurses and volunteers are giving to the patients.

3 new members joined the Auxiliary this past year.

Our executive voted in last spring is on a two year term, so it remains the same.

**Hospital Volunteer Report**
*Submitted by Cheryl Hunt, Corporate Lead Volunteer Services*

We currently have two hospital volunteer programs focusing on supporting our patient's experience at the SMMH.

***Our In-Patient volunteer program*** supports our patient's experience right at the bedside through friendly visiting, mealtime assistance and focusing on our patients social/emotional needs. Over this past fiscal year, 9 volunteers have contributed 200 hours.

***Our Therapy Support volunteer program*** supports our patient's during their therapy in small groups or 1-1 with alongside our therapy staff. Over this past fiscal year, 4 volunteers have contributed 253 hours.

We will continue to grow our programs in support of patient centered care philosophy.

# *Seaforth Community Hospital*
## *Auxiliary & Volunteer Report*
## *2017/2018*

**SCH Auxiliary:**
*Submitted by Margaret Marian Lee, SCH Auxiliary Co-Director*

Members of the SCH Auxiliary attended 7 general meetings for the year 2017. The various committees including the executive, special projects & fund raising met more often. The Auxiliary consists of 7 HAAO Provincial Life members, 4 HAAO Local Life members, & 18 Active members for a total of 29 Auxilians. 12 members attended the HAAO South Central Spring Conference hosted by the Wingham & District Hospital Auxiliary on April 24, 2017. 3 Auxilians attended the HAAO South Central Region Presidents' Day held in Seaforth on September 25, 2017.

Our various fund raising projects for 2017 included: 31 Day Fundraiser, Bakeless Bake Sale, Bake Sale, 50

A $500 Bursary was presented to Nicole Whyte at the Central Huron Secondary School Commencement on October 6, 2017. Nicole is presently enrolled in a 4 year Child & Youth Studies at Trent University.

A donation of $5,000 was given to the SCH Board of Directors during the annual Radiothon held at the Legion on October 21, 2017.

An Auxilian carried & placed a wreath on the cenotaph in the November 11th Remberance Day Ceremony.

Tray Favours for special occasions throughout the year were lovingly created & given to each hospital patient.

The Auxiliary's Constitution & By Laws were reviewed & updated. The completed booklets were presented to our members.

**Hospital Volunteer Program:**
*Submitted by Cheryl Hunt, Corporate Lead Volunteer Services*

**Therapy support program**: We currently have 6 volunteers who participate weekly with the Therapy program where they work directly with our patients ensuring their stay with us is as pleasant as it possibly can be. Together, over the 2017-18 year, this mighty group of dedicated community members contributed 439 hours to bettering our patient's experience.

Volunteers of Stratford General Hospital

# Annual Report 2017/2018

Time is precious, and during 2017/2018, the Volunteers of Stratford General Hospital continued to devote many hours of their time to the volunteer program with great talent, care and dedication.

The locations where we give of our time include:

Cancer Clinic, Chemo Therapy Clinic, Coffee Shop, Concierge, Diabetes Clinic, Emergency Department, Gift Shop, HELPP Lottery, ICU, Information Desk, Mammography, Medicine/Continuing Care Unit, Mental Health, Orthopedic Clinic, Patient Registration, Pre-Admit Clinic, Special Events, Stroke/Telemetry, Surgical Services, Surgical Ambulatory Clinic, Surgical Unit and the Volunteer of SGH Council.

Group Photo from 125th Anniversary, June 2017

In total, we now have 243 active volunteers compared to 223 just last year.

This volunteer commitment at the Stratford site translates into 24,420 volunteer trackable hours (an increase of 11.5% from last year) but there are countless occasions where off-site planning and preparation time is not tracked, so the actual number of hours is much more.

Volunteers spend countless hours doing home projects such as knitting blankets and sewing comfort pillows and baby quilts. All these items are happily given to patients to help brighten their day. Much time and effort is put in to the various gift baskets that are prepared throughout the year for occasions such as Mothers Day, Fathers Day, Thanksgiving and the First Baby of the New Year.

Something to think about, in terms of dollar value, if we were to pay our volunteers $25.00 per hour, these hours would convert into a contribution of $610,500! Amazing!

Educational opportunities geared toward the volunteers, continue to be successful, one example being a Humour Workshop that was led by SGH Volunteer Pat Willows in October of 2017.

**A new initiative: the Peer Stroke Mentoring Program,** was launched in the summer of 2017 in conjunction with March of Dimes and the Stroke team. This educational opportunity has led to a new volunteer role - that being a Peer Stroke Mentor. Interested past stroke patients go through a detailed training program, then, the volunteer is paired with a current stroke patient and mentors them

Group Photo: ISU Peer Mentors, April 2018

during their stroke journey. To date we have 8 Peer Mentors who have supported over 46 patients during their hospital stay within our Integrated Stroke Unit. Another rewarding volunteer role indeed.

2017 was a very proud and important year for the **Volunteers of Stratford General Hospital, as it marked the 125th Anniversary** of our program. From a small group of 48 women in 1892 (then called the Women's Hospital Aid) to the impressive number of members we have today, it was a milestone worth celebrating. After months of planning by a special event volunteer committee, on June 7, 2017 a Garden Party was held at the Stratford Golf & Country Club with over 100 people attending which included, past and present volunteers, HPHA Management, SGH Board and SGH Foundation members as well as many local dignitaries. It was a wonderful event to acknowledge our priceless volunteers.

Volunteer, Vicky Vine stands beside a history display at the 125th Anniversary

As volunteers, our main commitment is to Patient Services, but **fundraising** continues to be an important aspect in support of our hospital, with the retail shops as our primary source of revenue.

Let us highlight our year for you:

The Volunteers of SGH were able to present the **final payment of $59,900** to complete their $150,000 commitment to our **Lab Department**. This was a "Match my Gift" Campaign, in partnership with the SGH Foundation and was presented to the Foundation at their AGM in June of 2017. Yet another very proud moment for our volunteers.

Hardly taking a breath, our volunteers immediately partnered once again with the Foundation taking on another **1 Million Dollar Pledge**. Our first project under this commitment was the CT Scanner, which officially rolled out in September 2017. This time the challenge is to match every donation to the Foundation's **CT Scanner Fund**, up to a total of $150,000, doubling the impact of each dollar donated, working toward a combined total of $300,000. This campaign will greatly help toward the Million Dollar Goal for the CT Scanner.


HPHA and SGH Foundation representatives as well as SGH Volunteers announce the MILLION DOLLAR commitment. June 2017

Following will give you an idea of the importance of the new **CT Scanner:**

The CT Scanner impacts approximately 12,000 people every year in our region and is essential in diagnosing stroke. SGH is a designated stroke centre so a state-of-the-art scanner is vital. The CT Scanner is crucial in battling cancer, helping to determine whether treatments are working or if the disease has spread. New CT Scanners are faster, more accurate and safer than scanners from just 10 years ago, with 40-70% less radiation. At a cost of $1.3 million, a new CT Scanner is our Hospital's top priority item and with no government funding, every dollar raised is precious.

By March 2018, the Foundation reported that the community had surpassed the $150,000 matching gift campaign goal. In turn, the Volunteers of Stratford General Hospital were able to **donate $65,000** toward their part of the $150,000 pledge! Very impressive numbers, to say the least!

We as volunteers and members of the community were so very proud when the **new CT Scanner was unveiled in March 2018**.

Group Photo: Volunteers excited to see the new CT Scan

The Volunteers of SGH are extremely pleased each year to award two deserving recipients a **Student Bursary** of $500 each. Applicants are to be enrolled in post-secondary education in the health care sector. This year the Bursaries were presented to: Ashley Murray (enrolled at UWO in Physiology & Kinesiology) and Lauren Cockburn (enrolled at St. Clair College in Practical Nursing).

Our **Gift Shop** volunteer group continues to provide retail therapy to many who visit our shop. It truly is our hidden gem right within our lobby. The Gift shop this past fiscal year, provided a net profit of $35,233.24.

The **Coffee Shop** continues to provide that needed boost to our patients, families, friends and staff as well. The warm and welcoming environment has been successful in raising $42,898 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 "Match my Gift" Campaign contributing $9,329.25 towards the Volunteers of SGH pledge.

The **Raffle** this year awarded $1,000.00 Cash for 1st prize – sponsored by Chartwell Anne Hathaway Retirement Residence, $350 in PC gift cards as 2nd prize, and $200 in Shoppers gift cards as 3rd prize. This is one of our main fundraisers and this year netted us a $4,610.05 profit. This fundraiser is made possible with the support of the SGH Foundation.

Annual Raffle Draw with our sponsor, Chartwell Anne Hathaway Retirement Residence, February 2018.

Other fundraising events held throughout the year were BINGO, Coin Canisters, Gift Basket Auction, Gift Shop Holiday Baskets, Picture Auction Program, Used Book Sale and the Vendor program. All these activities were highly successful and thanks to the many Volunteer hands, they raised $15,738.78.

**This year the Volunteers of Stratford General Hospital donated $65,000.00 towards our current $150,000 pledge toward the CT Scanner**

Respectfully submitted,

Cheryl Elgie & Joan Maloney
Co-Chair, Volunteers of SGH

# FOUNDATION

# REPORTS

2017/2018

**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**
**www.cphfoundation.ca**

# Clinton Public Hospital Foundation Annual Report
## 2017-2018

The Clinton Public Hospital Foundation is pleased to report that we've had another successful year, which has been made possible with the generous support of our wonderful community and the commitment of our volunteers.

As in past years, the Foundation took part in the annual CKNX Health Care Heroes Radiothon, which was held in Wingham on Saturday, October 21, 2017. Our fundraising goal for the event was to raise $20,000 for the purchase of a Trophon EPR Ultrasound Sterilization Unit for the Medical Imaging department. We received generous donations and raised the needed funds for the equipment, which has been purchased and it in use at the hospital. In conjunction with the Radiothon, the Clinton & District Kinsmen once again hosted their annual breakfast on Saturday, October 14, at the Central Huron Community Complex. We had a record number for served and the breakfast was delicious. The time, talent and dedication of the Clinton & District Kinsmen are greatly appreciated and they were able to raise close to $2000 from the breakfast. We have participated in the CKNX Health Care Heroes Radiothon since its inception in 2002 and throughout those years we have received donations for an accumulated total of $480,861.

On Sunday, July 30, 2017, Clinton Raceway Inc. hosted their biennial Legends Day at the Clinton Raceway, with proceeds to the Clinton Public Hospital Foundation. The event included an online auction, a silent auction, a photo booth, food booths, a 50/50

Raffle and a Pineridge Chicken BBQ Dinner. This year's Legends Day saw the final career drive of John Campbell, the world's richest harness racing driver, which of course drew a much larger crowd than in previous years. As one can imagine, a lot of organization, many volunteer hours and community support were required to make this event a success. We are so thankful to everyone who organized and supported this event. We are very appreciative of our volunteers, our sponsors, those who donated auction items, the drivers and those who attended the event. We are truly grateful to have Clinton Raceway Inc. as a community partner and appreciate the support they give to the Clinton Public Hospital. This year's Legends Day raised a net profit of $58,624.66 for our hospital. The event was a great success and we hope that all in attendance thoroughly enjoyed themselves.

In December each year, we launch our annual Christmas Campaign. We send out a general letter giving thanks to our supportive community and wishing them well throughout the holiday season. We are thankful that the students at Central Huron Secondary School were able to volunteer time this year, to assist us with the campaign by stuffing the envelopes for us. It was determined that it takes approximately 90 hours to stuff and sort the mailing. The letters, along with donation forms, were mailed out to our local community and as in past years, we received many generous donations throughout the holiday season. This year the campaign was very successful and raised a net profit of $29,382.33.

Throughout the 2017-2018 fiscal-year, we also received some bequests and many memorial donations. We are so grateful to those who plan ahead to make give a financial gift to the Clinton Public Hospital Foundation upon their passing and also to the families who name the Foundation as the charity to receive donations in memory of their loved one.

In addition to our fundraising efforts, the Clinton Public Hospital Foundation Board of Directors and Staff have continued to share the Foundation's various activities on our website and on social media. The Foundation also continues to move forward with

enhancing their public communication and social networking presence. Darlene McCowan continues to learn and develop in her position as Foundation Coordinator. She has shown great initiative and dedication in her position with the Foundation over the past year. The Foundation board of directors continues to support her throughout the growth of the Coordinator role.

With the financial support of our donors, we were able to transfer a total of $294,490.20 in the 2017-2018 fiscal year, to support the following purchases:

- Scope Buddy* (funded by a bequest)
- Transport Ventilator
- 2 qty. Flusher Disinfector Tornado Units and Installation
- GE Trophon EPR Disinfection Ultrasound Probe Sterilization and Storage Cabinet* (funded by CKNX Radiothon)
- 2 qty. In-Patient Bed Package
- 3 qty. In-Patient Bed Package* (funded by CPH Auxiliary)
- Compella Bariatric Bed
- 4 qty. Procedural Stretcher, 2 with scale/deck upgrades
- 2 qty. Over Bed Table
- 5 qty. Bedside Cabinet
- LED Light Source* (funded by a bequest)
- Tub and Chair Lift with scale and renovations
- Crib

In 2017-2018, the Foundation recorded a total of 465 volunteer hours, which included 282 hours in director roles and 183 volunteer community hours. Volunteer hours accounted for 27% of the hours contributed to the Foundation, with the other 73% in staffing hours. Volunteers are an enormous asset to the Foundation, for which we can attribute much of our fundraising success, alongside the generous support of our financial donors.

We truly are honoured to be a part of such a caring and generous community. We wish to extend our appreciation to each individual, business and service group who has contributed to making a difference at the Clinton Public Hospital!

Kindest Regards,

Darren Stevenson
Chair
Clinton Public Hospital Foundation

# Clinton Public Hospital Foundation
# Board of Directors
# 2017-2018

Darren Stevenson, Chair

Una Roy, Vice-Chair

Steve Brown, Treasurer

Bob Clark, Director

Christi DeJong, Director

Linda Dunford, Director

Jane Groves, Director

Fred Lobb, Director

Sibyl Tebbutt, Director

St. MARYS
MEMORIAL HOSPITAL FOUNDATION

# *Annual Report 2017/2018*

I am pleased to present the Chair's Report for the fiscal year ending March 31, 2018. I am honoured to have been nominated as Board Chair in June 2017 and have been a board member for 5 years.

Being a Board Member with our SMMHF gives me deep personal fulfillment. The realization of how our community supports local healthcare has only reinforced my commitment to the foundation, and all that it stands for.

In February of 2015, we launched our "Someone I Know" capital campaign with a goal of $5 million. We surpassed our goal by $200,000 in September of 2017.

We are truly fortunate to have such an incredibly supportive and passionate community. We couldn't do it without all of your support. Thank you, thank you!

Disbursements for this fiscal year totalled: $ 266,869

These transfers of funds went to Hospital equipment, Tradition Mutual Centre for Wellness Expansion fees, Physician retention & recruitment, as well as honouring our Objects to support external initiatives for a healthy, active community.
(See Financial Report for further details)

Our Investment portfolio has done relatively well given the market status.
Our closing balance as of March 31, 2018 was as follows:

- Short-term Investments - $1,262,440
- Long-Term Investments - $4,162,625

I would like to thank Andrew Williams, Francesco Sabatini, Mary Cardinal, and Trina Cooper, and all the HPHA staff for the support and encouragement as we continue to transform as a Foundation.

My heartfelt gratitude to our volunteer Board of Directors, who have worked tirelessly at fundraising, executing incredible events and supporting our restructuring process.

Our Executive Director, Krista Linklater, has done a fabulous job providing the Board with support and direction, as well reaching out to the community with genuine commitment and caring.

Sincerely,

Pat Craigmile, Board Chair
St. Marys Memorial Hospital Foundation Board

## *St. Marys Memorial Hospital Foundation*
## *Board of Directors*
## *2017/2018*

Pat Craigmile, Chair

Ken McCutcheon, Vice Chair

John McIntosh, Past Chair

Larry Beattie

Dr. Bob Davis

Jo-Anne Lounds

Andrea Macko

Mike Richardson

# *Seaforth Community Hospital Foundation*
## *Annual Report ~ 2017-2018*

Since incorporation in 1994 the Seaforth Community Hospital Foundation has invested over $1.5 million dollars in support of crucial medical equipment, redevelopment and new technology NOT adequately covered by Government funding for the Seaforth Community Hospital site of the Huron Perth Healthcare Alliance (HPHA).

This year a cheque was presented to the Seaforth Community Hospital site of HPHA, in the amount of ***$51,169.00***. These funds supported the purchase of a new ultrasound probe sterilization unit and cabinet along with related renovations. It also supported the purchase of two therapeutic ultrasound units for outpatient physiotherapy, along with seven patient beds, over bed tables and bedside cabinets. The Foundation also supported the recruitment of Dr. Megan Nolan to the Huron Community Family Health Team.

The Seaforth Community Hospital Foundation is also happy to announce that in September 2017, Dick Burgess was appointed as the new chair of the Foundation Board of Directors.

This year's fundraising success is a testimonial to the ongoing support received from the 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:

- 15th Annual CKNX Health Care Heroes Radiothon
- Summer Campaign Appeal Letter and Annual Newsletter
- Christmas/Winter Campaign Appeal Letter

Throughout the year the Foundation received regular reports, including audited financial statements, from Sheila Morton, the Seaforth Community Hospital Trust Chair. 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.

In 2017, the Hospital Trust continued to work with Huron East and JL Retirement Living on the land development west of the Hospital. Construction is anticipated to start in the spring of 2018, including a secondary road access to SCH.

The Trust was also successful with an application to the Southwest LHIN, receiving a grant of $20,000 to upgrade the fire and safety alarm system at the Health Centre. The project was

completed in December 2017, with assistance from the HPHA Facilities Management department.

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!***

**Dick Burgess, SCH Foundation Chairman**

**Bill Scott, SCH Foundation Vice Chairman**

---

## *Seaforth Community Hospital Foundation Board of Directors ~ 2017/2018*

Dick Burgess, Chairman

Bill Scott, Vice-Chairman

Andrew Williams, Secretary-Treasurer

Ron Lavoie

Sheila Morton

Kerri Ann O'Rourke

Sherry McCall

Wendy Hutton

Greg O'Reilly

Liz Cardno

**2017/2018 Chair's Message**

# Tipping the Balance

Making changes to achieve balance is an important goal in life: the balance between working hard and relaxing, between diet and exercise, between earning a living for our families and sharing some of that wealth with others.

This is something with which lawyers are familiar. Lady Justice is often depicted with a set of scales suspended from her left hand, upon which she weighs the strengths of a case. But of course we must harness all our skills, experience and understanding to nudge that scale towards the best outcome – whether that's in the courtroom or our personal lives.

That's quite similar to what happens in our Hospital each day – a battle to tip the balance from illness towards wellness, from injury towards recovery, even from death towards life.

Fortunately, we have many elements that weigh in favor of health and healing. That includes a highly talented Medical and Hospital staff committed to providing patients with top-notch care. It includes wonder drugs and procedures that would have been unimaginable a generation ago.

And it also includes thousands of generous donors who ensure our Medical and Hospital staff have the tools they need to provide the quality compassionate care we all rely on.

That's where the Stratford General Hospital Foundation fits into the equation. Our commitment is not only to help our Hospital achieve its equipment and patient care goals, but to work with donors to fulfill their own needs, wishes and desires.

And the donor contribution towards tipping that balance is significant and far reaching. There's not a department in this Hospital – likely not a family in our area – whose lives have not been touched and improved by caring donors committed to making a difference. They have our heartfelt thanks.

This, my first year as Foundation Board Chair, has been an eventful year – a year of growth and progress on both a personal and an organizational level. I've learned the importance of making your own gift to an organization before you can ask others effectively and with passion for the cause.

I've learned a true appreciation for the impact of every donor dollar, especially as there is no government funding for essential medical equipment. I've also gained an additional appreciation for my fellow Board Members and Foundation staff and the impact a skilled and dedicated group can have on shaping and guiding an organization come hell or high water.

And following last summer's flood in the Avoncrest building which severely affected our Foundation Office, the staff truly have experience with high water. While we had no loss of donor records, there was major disruption and damage to technology and the offices.

This precipitated a temporary relocation before the offices found their permanent home in the repurposed old ambulance garage. This prominent space on Hospital property is more accessible to all donors and has the space we need heading into our next major capital campaign.

Speaking of campaigns, our fundraising efforts for a new CT Scanner – part of our "In our Hands" capital equipment campaign – were rewarded with the delivery of the new CT Scanner just before Christmas. The ribbon cutting in early March had more than 200 donors in attendance to celebrate. More than 3,700 donors have given to the CT thus far; a true community effort that will keep our Hospital at the forefront of technology and help save many lives.

Still in the "quiet phase" of our capital campaign, we've already raised some $5.2 million in cash and pledges. That includes a tremendous $1 million pledge from the Volunteers of Stratford General Hospital, $150,000 of which went directly to the $1.1 million cost of the CT Scanner. Their matching gift "tip the balance" challenge mail appeal was generously matched by other donors, raising $300,000. They are indispensable and deserving of our thanks.

Our Seasonal mailing raised more than $328,000 from 1,237 donors, far exceeding our $250,000 goal. And our "Promise of Tomorrow" planned giving initiative has resulted in $1.6 million in bequest expectancies from donors who have indicated that they are leaving gifts to the Foundation.

While these figures are a measure of our success, what's truly impressive is the impact these donations have. As a Foundation, we're in a unique position to help turn our community's love and concern for each other into something tangible…something that will touch, change and even save lives in our community and beyond for years to come. Thank you for that privilege.

Our sincere thanks to our generous donors, the lifeblood of our organization, who make all things possible. My thanks also to my fellow Board Members for volunteering their time and talent in guiding the Foundation. To Andrea Page, our skilled and dedicated Executive Director and her staff Melissa, Susan and Christy, I extend my praise and gratitude for a job well done.

Hugh D. MacDonald

# A Year to Remember . . . Highlights!

■ Our community continues to respond generously to our Christmas mailing reaching $328,731.43 with 1,237 donors and an average gift of $266. The appeal was focused on raising funds towards a new CT Scanner.

■ Over the last few years the Foundation has disbursed over $19.5 million to the redevelopment project which helped build the North Wing, renovated ICU/Telemetry, Mat Child and Mental Health and purchased essential technology like PACS and the Surgical Suites. Thanks to donors our $3.8 million MRI project is "PAID IN FULL". It is only through donor generosity and continued support through pledge payments that all these improvements to patient care have been possible. This year's gift from generous donor dollars from the Foundation to the hospital totalled **$1,686,598.57**.


■ Dollars are coming in for our Spring mailing, "You hold their hearts, In your hands…" One of the most effective tools we have to improve the odds for our precious babies and youngsters is the Cardiac Monitor. It has the ability to monitor the smallest of heartbeats and immediately inform us when anything is different or dangerous. A total of 20 cardiac monitors at $11,000 each are needed in our Maternal Child Unit.

■ Lasting legacy. Our **"Promise of Tomorrow"** planned giving initiative has to date resulted in **$1.6 million** in bequest expectancies through donors who have indicated that they are leaving specific amounts in their wills or through life insurance policies ...Ordinary people show extraordinary generosity by leaving a gift to our hospital in their wills. A "Promise of Tomorrow" donor recognition system plan is in the works to enable us to thank and appreciate donors of legacy commitments during their lifetime.

■ A salute to the Volunteers of Stratford General Hospital for their $1 million pledge over 10 years towards our "In our Hands" capital campaign, which is in it's quiet phase. A total of $150,000 of this pledge is towards the $1.1 million CT Scanner. Their "Tip the Balance towards Life" matching gift challenge mail appeal was generously matched by donors raising $300,000.

■ Our new CT Scanner arrived just before Christmas with a big red bow and a celebration! The CT was installed and ready for patients after a ribbon cutting ceremony on March 9th. The first payment for the CT has been made. Only $100,000 is left to raise towards the $1.1 million price tag for this priceless piece of equipment!

# Teddy Bears & Friends – The Bear Necessities

A special salute to Loralee McNaughton, the Special Care Nursery nurse who put her passion for our tiniest babies into action! Her Teddy Bear & Friends initiative over two years has raised a phenomenal total of $61,078.60 towards the purchase of five specialized cardiac monitors for the Special Care Nursery. From personal asks to staff payroll deduction, from flower sales to bowling events, multicolored bear icons have been taped on the windows and walls representing each gift of $100. For each $100 gift received, a baby or child in our care was given a special stuffed bear as part of our Teddy Bear & Friends program – a loving token of donor generosity. This third year of the initiative the new goal is $30,000 towards an infant warmer. We can never say thank you enough!

Bowling for Teddy Bear & Friends for special care nursery equipment raised $6,800! A total of nine monitors are needed for the special care nursery and another 24 for all of Maternal Child. Thanks to all the donors, sponsors and bowlers who helped make the event a success. The Gutter Girls were one of many teams who dressed up in team themes for the event.

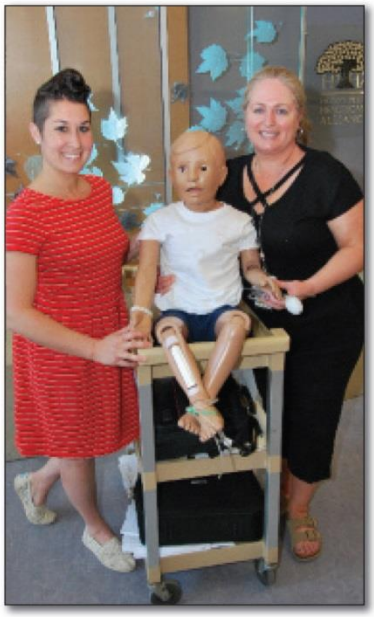
**L-R: Carla Johnston, Kylie De Martines, Ali Van Straaten, Katie Bauld, Crystal Turner and Linsey Van Kooten. Stay tuned for the next bowl-a-thon scheduled for this Fall.**

# Governance, Stewardship, Guidance and Impact!

## Stratford General Hospital Foundation Board of Trustees 2017 – 2018

**A salute to our Stratford General Hospital Foundation Trustees who provide governance & stewardship with impact! *Seated L to R:* Phil Buxton-Treasurer, Rick Orr-Past Chair, Hugh McDonald-Chair, Barb Thibeault. *Standing L to R:* Howard Famme, Dr. Keith Sparrow, Bob Gulliford, Andrew Williams, Andrea Page-Executive Director, Matt Rees, Josef Frank. *Absent:* Lisa Hyde, Lori Ripley, Paul Roulston-Vice Chair and Honourary Life Member Colleen Misener.**

# We Can Never Say Thank You Enough to Our Donors



## 2017/2018 EQUIPMENT PURCHASES

The Stratford General Hospital Foundation disbursed **$1,686,598.57** to the hospital. The items sponsored through our donors' generosity include:

- 2 – CO2 insufflators $13,500
- Dialysis Recliner $3,673
- Stainless Steel Cabinet $2,111
- Stainless Steel Workstations/Worktables/Shelf Carts $10,775
- Wireless Scanner $1,081
- Defibrillator $18,846
- 2 – Blood Gas Analyzers $26,695
- CT Scanner (first payment $874,625)
- Care/CPR Paediatric Simulator (5 Year Old) $2,116
- Meditech Interface for Rapid Point 500 Analyzer $7,906
- Laptop Cart $4,763
- 2 – Vital Signs Monitors $9,085
- CADD Legacy Pain Pump $4,580
- Warming Cabinet for blankets $5,304
- Installation of Birthing Lights $2,547
- Bronchoscope Light Source $1,169
- Glidescope $11,055
- Light Source with Floor Stand $3,683
- Coverslipper for Film – Laboratory $70,330
- Sterilization Units for Ultrasound Probes $27,917
- Building Redevelopment - $200,000
- Pharmacy Auto Packaging Machine Project
- West Building Annex
- Hospital Staff Education
- Non-slip socks for Falls Prevention

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

STRATFORD GENERAL HOSPITAL Foundation

# Clinical Quality Report

2017/2018

# Huron Perth Healthcare Alliance

# Clinical Quality Report

# 2017-2018


Supporting people Strengthening partnerships Improving performance

## Executive Summary

The Huron Perth Healthcare Alliance (HPHA) is committed to safe quality patient care; an excellent patient, family and staff experience; person centered care and productive partnerships.

HPHA has engaged the Board, patient partners, staff and communities to refresh the Strategic Plan and will launch "Commitments to Our Communities" in early 2018/19. A continued focus on advancing a collaborative culture through strong purposeful partnerships with our community partners, patients, families and caregivers, and our staff and physicians will achieve the co-design of quality healthcare system processes.

HPHA's Guiding Principles of supporting **People,** strengthening **Partnerships** and improving **Performance** define the work we do, the care we provide, and the contribution we make to ensure our healthcare system is the best that it can be. The new focus for these Guiding Principles under "Commitments to Our Communities" will continue to advance HPHA's vision and mission.

HPHA's commitment to quality has been embodied in our Vision Statement: *We will improve the health and well-being of the people we serve by leading the development of a sustainable fully integrated rural health system.* A focus on quality continues to be embedded in our refreshed Vision Statement which will be launched for 2018/19.

The quality improvement initiatives noted in this report are not an exhaustive list although a robust representation of the significant work to advance HPHA's commitment to safe, quality care in support of person centred care. These initiatives are also evidence of HPHA's commitment to continuous quality and safety improvement processes that support the quadruple aim in improving population health with positive patient outcomes; improving provider work life through a safe and positive work environment; reducing costs with favourable performance across the health system; and enhancing the patient experience with positive patient and family and caregiver experiences. The initiatives outlined in this Report are also evidence of Health Quality Ontario's six dimensions of Quality: safe, effective, patient-centred, efficient, timely, and equitable.

# HPHA CLINICAL QUALITY INITIATIVES

## PEOPLE - Supporting PEOPLE by building skill and ability at all levels

**Autism Kits – Emergency Departments (ED) and Diagnostic Imaging (DI) Departments**

Autism Spectrum Disorder (ASD) is a neurological disorder that affects the way a person communicates and relates to people and the world around them. As such, ASD can affect behaviour, social interactions, and verbal communication. The various sources of stimulation in an Emergency Department can be quite distressing for the individual with ASD.

In the fall of 2017, family feedback indicated that the needs of patients with Autism were not being met when they accessed HPHA services. HPHA worked with parents of individuals with ASD to learn how to better meet their needs while building the knowledge, skill, ability and confidence of our staff. HPHA partnered with Autism Ontario, Huron Perth Chapter for staff education regarding spectrum disorders and how best to care for these individuals and their families. "Autism Toolkits" to facilitate a more calming environment were created and have been introduced in our four Emergency Departments, Medical Imaging, Maternal Child Program, Outpatient Laboratory, and other outpatient programs where individuals with an ASD may present.

**Bedside Transfer of Accountability**

Bedside Transfer of Accountability and Standardized Shift Change promote continuity of safe, quality person-centred care. It is estimated that 80% of serious medical errors involve miscommunication between caregivers when care of patients is transferred. Initially implemented on two units in 2015 and now spread to all inpatient units, this quality improvement initiative standardizes information exchange and shift change processes for improved staff and patient experience and patient outcomes. Patients are engaged as active participants in their plan of care; receive and can clarify information; and are able to identify concerns. Communication between nurses, with patients and their families and with physicians is enhanced.

**Educators**

HPHA Educators provide extensive ongoing clinical education; support clinical practice through such forums as DOC Talks and mock Code Blues, Code Pink and Code Stroke; support nurses in College of Nurses of Ontario Quality Assurance sessions; develop and revise policies and procedures and provide a support regarding Elsevier (on-line resource); support Medical Directives creation and revision; and create eLearning modules.

Key initiatives in 2017 include:

- Education developed and provided to nurses and physicians regarding use of portable ultrasound to insert IVs when the traditional approach would be difficult or not successful. This technology and method will reduce the number of Central Lines that have to be placed and prevents delays in patient treatment.
- Coordination of a RNAO session regarding Legal Issues In Nursing – Medical Assistance in Dying.
- Provided Rhythm Interpretation Simulation for ISU staff
- Provided simulation-based training to the Integrated Stroke Unit nurses on interpreting common arrhythmias in post-stroke patients and practicing critical thinking and decision making skills regarding responses when arrhythmias occur.
- Attended the 2017 SIM Expo in Toronto regarding incorporation of simulation in additional clinical teaching at HPHA.

- Development and facilitation of Cardiac Arrhythmia Education refresher courses.

Developed a 7.5 hour course to support nurses in an in-depth understanding or review of cardiac arrhythmias, related nursing interventions and pacemakers; six courses have been offered since October 2017.

- Unit-specific Orientation Checklists updated to include resources for follow-up learning

In response to a recent bed realignment and staff moves, unit-specific checklists to support orientation, track learning and monitor a nurse's progress have been updated with on-line resource modules, e-Learning and HPHA policies and procedures to reflect current practices at the Alliance.

- Development and implementation of new policies to support Nursing Practice
  - Cardiac Monitoring Policy to standardize nursing practice related to patients requiring cardiac monitoring.
  - Medication Administration IV Direct policy, education sessions and eLearning to standardize nursing practice related to patients requiring IV direct medications and to expand the scope of HPHA RPNs. This was in response to shortages following a devastating hurricane in Puerto Rico.
- NEWS – National Early Warning Score

The Educators and two HPHA internists have spearheaded the NEWS (National Early Warning Score) Project to support nurses to recognize and respond to deterioration in a patient's status and communicate their observations and actions with physicians and Team Leaders. This Project is expected to dramatically reduce emergent transfers to ICU, lengths of stay, incidence of septic shock, and incidences of "failure to rescue". The Educators conducted a focused learning needs assessment survey to inform this Project based on current nursing practice.

**Interprofessional Collaborative Team**

In 2017, under new Nursing and Professional Practice leadership, the former Nursing Practice Council and Interprofessional Practice Council evolved to the HPHA Interprofessional Collaborative Team. The strategic focus for this Team is based on the National Interprofessional Competency Framework encompassing the domains of interprofessional communication; patient,family and community-centred care; role clarification; collaborative leadership; interprofessional conflict resolution; and team functioning.

**Leadership Development**

HPHA is providing a three day Leader Education Series for established and emerging physician and staff leaders with content informed by feedback from leaders, a review of trends, and determinants of leadership competency. In 2017, 30 physicians and 15 staff leaders participated in the first day of this series. Our intention is to repeat the series on an annual basis as well as to build on the program beyond the existing series. The Distributed Education Network of the Schulich School of Medicine, Western University has indicated interest in the program as a model for other distributed education sites.

**Nurse-Led PICC Insertion Program**

In 2017, a dedicated nurse-led PICC (Peripherally Inserted Central Catheter) insertion service was established in the Medical Outpatient Clinic at the Stratford hospital site. The two nurses who received specialized education utilizing ultrasound technology in bedside PICC insertion obtain consent and insert all PICC lines with the exception of those patients who require support through Diagnostic Imaging.

This program has the potential to reduce inpatient lengths of stay, increase patient satisfaction, more appropriately utilize Radiology resources, and decrease complications caused by a potential delay in

treatment. Equally important, registered nurses are able to provide the service and Radiology resources are able to be more appropriately utilized. Timely access to treatment is provided with structured clinic times.

**On-Boarding for New Hires**

HPHA refreshed the onboarding process for new hires by providing one day of organizational orientation in a more interactive format; staff are able to start their position-specific orientation more quickly. The length of nursing-specific orientation has been increased in response to a greater number of new graduates (29 of 70 new recruits in 2017/18 have 1 year or less experience); the undergraduate curriculum has a greater emphasis on theory than skill-based competencies and new graduates often have limited experience with such skills. To support new hires, nurses participate in 2 days of education with the Educators regarding IV insertion, Chest Tubes, Code Blue, Elsevier (on-line nursing resource modules), intramuscular injections and a variety of other nursing skills. In addition, nurses hired to the Intensive Care Unit and Emergency Departments receive an additional 2 days education on acute and emergency-care related nursing topics and skills. This enhanced orientation complements unit-specific orientation, and is essential in building staff competency and confidence, and in facilitating success. Of note, 52 of the 70 nurses recruited in 2017/18 have less than 5 years' experience.

**SKYPE – Broadening Communication**

The IT Department rolled out Skype to the HPHA Leadership Team and administrative assistants in 2017 to reduce the number of meetings, facilitate "face-to-face" interaction, and readily share information and documents. Introduction of technology has resulted in more efficient and effective meetings, less travel time between sites and greater ease of connecting with members of the leadership team.

## PERFORMANCE - Improving a high PERFORMANCE culture that drives quality outcomes

**Add-On Laboratory Tests**

In 2017, a Laboratory quality improvement project examined the practice of ordering additional lab tests after initial lab tests were ordered. The Laboratory was most often notified of Add-On-Tests (AOTs) through a phone call. The processes for handing these AOTs caused undue disruption to the laboratory, lacked documentation and follow-through, and sometimes resulted in additional specimen collections. The improved process allows Add-On-tests to be added by electronic entry through the Hospital Information System. This change has resulted in a reduction of unnecessary additional specimen collections; improved patient experience; proper processing of all test orders; and more efficient use of nursing and lab staff time and resources.

**Antimicrobial Stewardship**

Antimicrobial Stewardship (ASP) is a Required Organizational Practice of Accreditation Canada and is focused on improving the quality of patient care by decreasing the use of unnecessary antibiotics. HPHA and Alexandra Marine and General Hospital share a regional antimicrobial stewardship program that meets Accreditation Canada standards. Ryan Itterman, Director Regional Pharmacy Services, has been named as a member of the Provincial Antimicrobial Resistance Steering Committee in March 2018.

ASP quality improvement initiatives in 2017 included dedicating one pharmacist project day per week to focus on ASP initiatives; creating treatment algorithms based on local resistance patterns (e.g. urinary tract infection, sepsis, community acquired pneumonia); continuing interventions for pharmacists to convert intravenous antibiotics to oral doses and pharmacists adjusting doses of antimicrobial agents for patients with renal impairment; posting "quick tips" resource information regarding dosing and

treatment of common conditions and ASP clinical summaries on an electronic repository; ensuring consistency of dosing between order sets; and posting quarterly ASP information updates in high traffic areas. In 2017, order sets were introduced regarding abdominal sepsis and febrile neutropenia; Quick Tips information was expanded to include Pediatric Pneumonia, Pediatric UTI, Pediatric Sepsis, Pediatric Meningitis and Intra-Abdominal Infection. ASP metrics demonstrate an improved utilization of appropriate antibiotics and an annual decrease of $20,000 since the program's inception; a significant decrease in antibiotic cost per patient; and a decreased number of C-Diff cases.

**Clinical Documentation Refresh**

With a view to clinical documentation standards and patient safety, a recall function feature was disabled in Meditech to ensure inaccurate or outdated information was not being carried forward in the patient's medical record; that staff were not carrying forward another staff member's documentation; that our hospital processes support professional practice standards; that communication within the interprofessional team is accurate and that patients receive treatment and care based on their current needs.

An enhancement to clinical documentation with the LHIN Home and Community Care (formerly CCAC) was achieved through the LHIN Resource Matching and Referral Project in which a provincial standardized one page form was developed for an Acute Care to Home and Community Care electronic referral.

**Computerized Tomography (CT) Replacement**

The Computerized Tomography (CT) Scanner at the Stratford General Hospital was replaced in March 2018. The technology of the new unit exposes patients to 40-70% less radiation which is especially important for individuals with cancer who require repeat scans during the course of their treatments. The new CT also enhances Stratford Hospital's role as a District Stroke Centre with state-of-the-art imaging regarding blockages in arteries of the brain and neck. HPHA coordinated with partner hospitals and patient transport providers to minimize disruption of care during the replacement.

**Conservable Bed Days**

Conservable Bed Days are those days when a patient does not require an acute bed for their medical needs, has not been designated Alternative Level of Care, and continues their length of stay in the acute care bed. These days are unfunded, reduce the availability of acute care beds, and have a negative effect on patient flow. In 2017, HPHA began focusing efforts to reduce the number of conservable bed days, through accurately identifying and documenting co-morbid conditions, and identifying Estimated Length of Stay and Alternate Level of Care status when indicated. A resource document was produced to guide physicians in accurately reflect a patient's acuity and care requirements; a second resource document was created for Team Leaders regarding estimated length of stay which supports a patient's discharge in an appropriate timely manner. In addition, care providers and patients were engaged to gain understanding of processes and gaps that have an impact on length of stay and conservable bed days; as a result, numerous small process improvements are underway.

**Huddles**

Huddles are an essential component of HPHA's Continuous Quality Improvement efforts. Engaging in Huddles results in improved quality care by engaging staff; enhances communication; empowers staff to own and resolve issues and implement new ideas; tracks progress toward goals; and sustains long-term solutions. In 2017/2018 the Huddle Board Refresh across the four sites was completed to reflect a greater emphasis on process improvements and data relevant to unit activity.

**Infection Control**
Receiving the influenza vaccine, combined with proper hand hygiene, is the best course of action in protecting our patients, co-workers, friends and family from infuenza. HPHA achieved an overall influenza immunization rate of 82%! Influenza Vaccination Rates as of December 15, 2017 are as follows:

| | Clinton | St. Marys | Seaforth | Stratford |
|---|---|---|---|---|
| **Staff** | 77% | 83% | 92% | 81% |
| **Physicians** | 78% | 92% | 78% | 91% |
| **Volunteers** | 84% | 63% | 77% | 80% |
| **Students** | 100% | 100% | 100% | 100% |
| **Total** | **80%** | **79%** | **87%** | **81%** |

**Medication Safety**
Pharma waste pails are a medication safety measure and a standard of practice with the Ontario College of Pharmacists. These containers were installed in late 2017 for Stratford Hospital's new Medicine Unit and will be installed in all patient and medication rooms across the Alliance in 2018/19.

**Organ Donation**
HPHA has been recognized by the Trillium Gift of Life Network (TGLN) for achieving a 100% Routine Notification Rate for the second quarter of the 2017/2018 fiscal year (July 1 – September 30, 2017). A hospital's routine notification rate measures the percentage at which a hospital notifies TGLN of a potential organ and/or tissue donation after a patient has died.

**Pathology**
In 2017, Stratford General Hospital was recognized by Cancer Care Ontario as the top performer in the province for the performance indicator "Pathology Post Surgery Turn-Around Times for all Disease Sites –percentage of reports received within 14 days" for the 2016/17 fiscal year and for exceeding the provincial annual improvement target.

**2017/18 Quality Improvement Plan (QIP)**
In 2017/18, HPHA teams successfully executed four Quality Improvement Plan change plans as follows:

- **Medication Reconciliation -**

Medication Reconciliation has been a mainstay of HPHA's QIP since 2013. The 2017/18 QIP medication reconciliation efforts continued through review of patients' Best Possible Medication Histories on admission; feedback was provided to staff when these were incomplete. A process to audit medication reconciliation at discharge was designed and trialed as a starting point for conducting a systematic analysis on collected data and five programs were identified for outpatient medication reconciliation with criteria which complies with Accreditation Canada's Required Organizational Practice for Outpatient Medication Reconciliation.

- **Patient Experience -** Increase patient and family engagement across the Huron Perth Healthcare Alliance by establishing a Patient Partnership Council

The former Patient Experience Steering Committee evolved to a Patient Partner Council; the role of the patient partner was defined; and opportunities for patient and family engagement were increased through education sessions and increased patient partner participation on committees

and projects. A culture shift is evident in staff adopting an awareness of the benefits of patient partners and routinely seeking participation of patient partners in projects and on committees.

- **Readmissions within 30 days for Mental Health and Addictions -** To institute a protocol between the Stratford General Hospital Emergency Department and the Huron Perth Helpline and Crisis Response Team to ensure a comprehensive assessment and response is completed for patients that present with mental health needs or substance misuse.

While readmissions within 30 days for mental health and addictions at all four HPHA sites were at a favourable rate, they were increasing at the Stratford Hospital site. A protocol was developed to immediately connect these individuals with the Huron Perth Helpline and Crisis Response Team; review of and determination for the protocol not being followed for any particular individual was instituted. Engaging the Crisis Team to establish a coordinated care plan to support patient care needs reduced the number of patients returning to the Emergency Department within 30 days of discharge from the Emergency Department and the Crisis Program was engaged more often with these individuals when they presented to the Emergency Department.

- **Stroke - 48 Hour Post-Discharge Follow Up Phone Call**

Follow up phone calls were made to 93% of stroke patients within 48 hours of being discharged home and all of those patients who identified any issues at the time of the call had a recommended plan in place by end of the phone call (e.g. medication issues were identified and corrected in timely manner potentially avoiding return to hospital or clinic).

**Senior Friendly Care**

An HPHA team participated in the Senior Friendly Hospital ACTION (Accelerating Change Together in Ontario) initiative in 2016/17 focusing on the prevention, early identification and management of delirium in individuals over the age of 65 with the initial pilot conducted at the Clinton, St. Marys and Seaforth hospital inpatient units. Resources such as education, eLearning, prompt cards, an Interdisciplinary Delirium Screening Algorithm, patient/family brochure and visual cue magnet were developed and implemented; as well, standards regarding the CAM (Confusion Assessment Method) were developed.

In 2017/18, these efforts towards the prevention, early identification, and management of delirium continued at the Clinton, St. Marys and Seaforth hospitals. Monthly audits demonstrate that the CAM (Confusion Assessment Method) tool was used 75-85% of the time for patients 65-75 years of age on admission and daily thereafter. Baselines measures were obtained for the Medicine and Surgery units at the Stratford site in 2017/18 for the spread of this initiative to these units in 2018/19.

In addition, the inpatient units of the Clinton, St. Marys and Seaforth sites and the Medicine, Integrated Stroke Unit, Surgery and Mental Health units at the Stratford site implemented Senior Friendly Care kits to support older patients while in hospital.

**Ultrasound Probe Disinfecting Units**

The HPHA introduced new technology at all four sites in 2017/18 for high level disinfection and safe storage of intracavity ultrasound probes that meets Accreditation Canada's standards. This new technology allows for fast, self-contained and automated sterilization. The probes are stored in secure environmentally controlled cabinets to enhance patient safety.

## PARTNERSHIPS - Strengthening PARTNERSHIPS with patients, public and providers

**Combined Heat and Power Project**

The Huron Perth Healthcare Alliance, in partnership with WalterFedy, Festival Hydro, Culliton Inc. and EPS AB Energy Canada, developed and implemented the Combined Heat and Power (CHP) project which became operational in January 2018. The typical hospital uses up to three times the energy of a commercial building and this initiative promises to reduce the hospital's average annual utility bill by over $350,000. Combined Heat and Power systems, also known as cogeneration systems, simultaneously produce two different forms of energy, heat and electricity, from a single input energy. Rather than it being released to the air as waste, heat recovered from the plant's internal combustion engine is instead used to produce steam and hot water for use in the building, thereby eliminating the additional use of boilers and fuel. The new plant also provides supplemental on-site generated electrical power in the event of a major extended utility power outage.

**Connecting the Dots Project**

HPHA is the lead organization for the "Connecting the Dots for Caregivers" project funded through the Change Foundation's Changing CARE initiative. This is a three year partnership project with the Alzheimer Society of Perth County, North Perth Family Health Team, One Care Home and Community Support Services, South West Local Health Integration Network and STAR Family Health Team throughout Huron and Perth counties to create tools and resources that will help family caregivers feel more supported, valued, respected, and engaged in their essential role. Utilizing a co-design approach, family caregivers and healthcare providers will be involved at every stage of the project to improve caregiver and provider experience.

The engagement and discovery phase in May-October 2017 engaged 121 family caregivers and 130 healthcare providers to understand their experiences and identify improvement opportunities. Thirty-six engagement sessions were held with three prominent themes being identified as future areas of focus Awareness and Recognition; Communication and Information; and Education, Training and Supports.

The Awareness and Recognition co-design team has identified solutions and is piloting a Tool Kit in a primary care setting with the STAR Family Health Team. These solutions will be evaluated and then spread to the five other partner organizations. This work will help healthcare providers better understand the challenges of being a caregiver and help caregivers feel more comfortable in identifying themselves in the role.

The co-design process for the Communication and Information, and Education, Training and Supports themes is expected to begin in spring 2018 within an acute care and a community setting. These teams will continue to review resources and supports to improve the caregiver experience.

**Hospice Care Avon Maitland - Huron Perth Residential Hospices**

Huron Perth will welcome residential hospice beds as an end-of-life resource for individuals and their families in early 2018/19. HPHA is partnering with the Huron Residential Hospice to support their human resource, supplies, computer support, training and development and payroll needs as they open the first beds in Central Huron in May 2018.

**Microbiology Consultation**

In early 2017/18, the IHLP/SGH (InterHospital Laboratory Partnership/Stratford General Hospital) Microbiology service struck a new agreement with London Health Sciences Centre (LHSC) for Microbiology consultation. The LHSC clinical microbiologist regularly meets with lab leadership

regarding current, ongoing and future technical issues in the department and provides consultation regarding current best practices. Improvements have been realized with regard to the quality of Gram Staining procedures and new audits/controls have been put in place to decrease patient safety events and Laboratory Occurrences.

**Microbiology Interface between Stratford General Hospital and Listowel/Wingham Hospital Alliance and Hanover District Hospital Laboratories**

Funded as a Small and Rural Funding Project, an interface between the IHLP InterHospital Laboratory Services) Microbiology Services at Strafford General Hospital and the laboratories of Listowel/Wingham Hospitals Alliance and Hanover District Hospital provides for safe, private flow of information; improvement in patient outcomes through reduction of adverse patient events; reduction of transcription errors; timely access to a more complete patient record; improved turnaround times on lab orders and results; and more efficient workflow through elimination of faxing, phoning and manual data entry. With completion of this project in May 2018, patient safety incidents will be reviewed post-implementation. Initial results for turn-around times on chemistry and hematology tests demonstrate a reduction of 1 ½ hours for results; this performance is expected to improve even more. South Huron Hospital reports a weekly reduction of 3 to 4 hours of clerical time.

**Providers Advancing Technology in Healthcare (PATH)**

PATH is a collaborative multi-year project between HPHA and Alexandra Marine and General Hospital (Goderich). Launched in 2016-17 and projected to continue through 2020-2021, the project is dedicated to improving the current and future state of hardware and software tools for providers across our hospital sites; developing a detailed plan or "Roadmap" for future provider information technology implementations; and ensuring that technology helps (not hinders) physician workflow.

Benefits of PATH include:

- Improved efficiencies - physicians will be entering reports and orders directly into the computer system from any location which will reduce errors related to handwriting and verbal orders
- Improved medication turnaround time to patients
- Improved antibiotic administration turnaround time that in turn decreases sepsis rates and reduces length of stay thereby lowering institutional costs
- Improved medication reconciliation
- Leverage of standardized evidence-based electronic order sets.
- Enhanced safety and quality
- Physician decision making facilitated through access to latest medical research and will subsequently speed up the delivery of care.
- Encouragement of consistent standard care across all sites
- Improved communication
- Attraction and retention of talent (physician and staff)

Implementation of similar strategies at other hospitals has led to such results as a significant decrease in pneumonia, sepsis, and Chronic Obstructive Pulmonary Disease(COPD)-related patient mortality; decreased length of stay; and decreased risk of development of blood clots

To date, the PATH project has:

- Recruited 2 Regional Physician Leads, Dr. Bob Davis (HPHA) and Dr. Paul Gill (AMGH). Dr. Gill is supporting primarily the Huron project hospitals and Dr. Davis is supporting the Perth project hospitals.
- Driven extensive physician engagement in conducting a current state analysis and addressing "pain points" physicians experience in the electronic health record
- Introduced a Cardiovascular Information System that allows for the electronic capture and reading of ECG, Holter and Stress tests to allow interpretation of these tests on-site and remotely (i.e. from the physician's office).
- Piloted a secure texting platform at the SMMH site for communication between physicians, and physicians and nursing staff.

The PATH project will culminate with the implementation of Computerized Provider Order Entry (CPOE) which will streamline physicians' orders, reduce the risk of medication-associated errors, and enhance medication reconciliation throughout a patient's hospital admission.

**Schulich School of Medicine and Dentistry, Western University**

When the HPHA undertook a major renovation at its Stratford site, the plans included dedicated space for trainees, including medical students and residents.

With $3,300 support from Western University's Schulich School of Medicine and Dentistry to help fund technology for the trainee workstations, the new internal medicine space includes three exam rooms with computer workstations for learners to see patients, conduct research, and write and read patient notes. HPHA supports a number of learners each year (2017/2018: 53 Medical Students, 124 Residents; 2016/2017 45 Medical Students; 144 Residents); a positive learning experience, designed to be an extension of the academic centre in a smaller hospital setting, also strengthens recruitment opportunities.

**Tripartite Project**

2017/18 marked the fourth year of the Tripartite Project between HPHA, Knollcrest Lodge (a long term care home in Milverton) and Ritz Lutheran Villa/Mitchell Nursing Home (RLV/MNH) to advance partnership opportunities and collaborative service delivery models with the intent to improve care and services to the residents of Huron and Perth Counties. These partnerships have been sustained through arrangements regarding inventory management, inventory scanning, procurement and contract management related to Materials Management; provision of 24/7 Information Technology services to the long term care homes; a formal Human Resources service agreement with RLV/MNH and enhanced medication safety and standardization of medication processes across our region through medication safety initiatives and medication education.

# DEPARTMENT-SPECIFIC QUALITY INITIATIVES

**Awards**

Ryan Itterman, Director, Regional Pharmacy Services, received the Canadian Society of Hospital Pharmacists' Ontario Branch Past President Award.

Dr. Miriam Mann, HPHA Medical Program Director, Emergency Medicine, was the 2017 recipient of the Emergency Medicine Award of Excellence as awarded under the Excellence in Faculty Distribution Sites Award of London Health Sciences Centre, St. Joseph's Healthcare London, Western University and Children's Hospital (LHSC).

Dr. Shanil Narayan, Department of Internal Medicine, was awarded a 2017 CSIM Osler Award from the Canadian Society of Internal Medicine for demonstrating excellence in achievement in the field of General Internal Medicine in clinical practice, research, and medical education.

**SWLHIN Annual Quality Awards**

HPHA was a partner in the "Assess and Restore: Improving Health Outcomes for Older Adults" initiative which won the 2017 Large Project Category Initiative. Assess and Restore was a provincial initiative focused on extending the functional independence of older adults who live in the community, reducing the burden on caregivers by improving psychosocial and health outcomes for community dwelling frail seniors; and helping LHINs, providers and health care professionals adopt evidence-based clinical processes and interventions that are effective in improving the functional independence of community-dwelling seniors. HPHA's Nurse Practitioner program, Seniors Mental Health Program and outpatient physiotherapy program at the Seaforth and St. Marys sites participated in the pilot.

**Chemotherapy**

The Chemotherapy Program, while providing excellent, compassionate care, is challenged with a lack of physical space to efficiently and safely care for the current volume of patients; inadequately sized and poorly placed washrooms for patient use; and not meeting current standards regarding facility requirements for pharmacy compounding of hazardous sterile preparations. A recent improvement has been realized in creating a dedicated medical clinic room for PICC line insertions and other procedures.

A new chemotherapy/pharmacy space has been approved for 2018-2020 which will address space, standards, and patient and staff experience concerns and allow for a potential increased number of patients.

**Clinical Nutrition**

HPHA's Registered Dietitians (RD) have participated in key quality initiatives in 2017/18:

- Improved documentation regarding enteral feeding - Enteral Assessment Document updated; new document for charting Enteral Feed Progress.
- Created 1-day and 3 meal diet for patients post-tonsillectomy to meet best practice standards, as per discussion with ENT physician, and clinical nutrition requirements and well as improving patient safety.
- Amended electronic referral system so automatic RD referral is generated only when the nutrition risk screen is positive
- Updated RD orientation package

- Standardized "Food Items Available for Nourishments" document to include current, up-to-date supplements available to improve patient intake.
- Updated procedure for arranging blood work for home-based Total Parenteral Nutrition (TPN) prior to a patient's discharge as community lab does not perform blood draws from a PICC line.
- Improved documentation for RD initial assessment and progress notes to include level of malnutrition at beginning of notes to assist with coding for case costing purposes.
- Amended location of RD documentation to Assessments versus Patient Notes in electronic medical record.

**Clinton Site**

2017/18 quality improvement initiatives include:

- Improved availability of wheelchairs at the main entrances of the hospital through creating signage and an accessible area to "park" wheelchairs, and communicating the intent and processes to ensure wheelchairs are available for patients and families.
- Cleared the clutter in hospital hallways and Emergency Department for safety and accessibility, and to be in compliance with fire regulations. The Fire Marshall and Clinton Occupational Health and Safety Committee have acknowledged these efforts.
- Standardized the daily inpatient worksheet to reflect clear and definitive staff assignment, staff members' responsibilities and phone assignment.
- Created and implemented a Personal Support Worked (PSW) PSW worksheet.

**Diabetes Education**

The Diabetes Education Program implemented a number of quality improvement initiatives:

- Referral form updated to ensure only certified Diabetes Educators are adjusting insulin as per Medical Directive.
- Meditech documentation for short follow-up appointments revised to be more efficient for both nurses documenting and partners reading.
- Website updated to provide patient resources and allow on-line registration for events.
- Purchase of credible reading resources for patients to borrow.
- Teaching Checklist added to Diabetes Patient Care Flow Sheet to ensure Educators track topics addressed regardless of which Educator meets with patient.
- In response to patients' requests, Educators became certified in Omnipod insulin pump training thereby facilitating more efficient pump training process for patients.
- Through a LHIN-led process, targets were set for the number of clients visits to the program. HPHA's diabetes program had an 11% increase in the number of clients attending the program and surpassed the target.
- Quality initiatives directed for staff satisfaction include reorganization of shared drive for ease of locating documents; and enhanced communication and awareness of ongoing projects through use of white board in central location.

**Emergency Departments (ED)**

2017/18 saw a review and update of all Emergency Medicine Medical Directives which are now in use across the four HPHA hospital sites. Educators have developed an electronic teaching module for ED nurses for all medical directives.

The Stratford General Hospital site has been recognized by the province for having one of the lowest overall ED lengths of stay for hospitals that see greater than 25% Canadian Triage Acuity Scale (CTAS 1 and 2) patients (i.e. patients presenting with actual or potential critical symptoms that threaten life or limb).

The Clinton Public Hospital site has been recognized as having the greatest improvement in very small community hospitals ED wait times with an 8% reduction from last year.

**Lab**

Microbiology has instituted a number of initiatives to support the development of skills to ensure confident and reliable interpretations related to gram stain processes which include:

- An updated Standard Operating Procedure to include daily quality controls and an agent to aid in interpretation of results.
- A monthly Gram Stain challenge in which the results of every Medical Lab Technologist (MLT) are documented, reviewed and posted.
- An updated process to review every slide from a sterile fluid by 2 MLTs and document results in Meditech
- An updated process to document and communicate to the referring healthcare provider any uncertainty in the interpretation as well as follow-up when the culture is available.
- An updated requirement that all MLTs complete an additional on-line Gram interpretation course

The result of these initiatives to date include a reduction in incidence report and greater consistency in the quality of gram stains.

HPHA Lab has included Patient Partners in the Laboratory Operations Committee as an evolution of the Lab Unit Action Council. This Committee addresses laboratory occurrences and quality improvement strategies.

**Maternal Child**

The Maternal Child Unit implemented a number of quality improvement initiatives:

- Reorganized process for paper-based charts at Triage such that all staff and physicians are able to efficiently access patient information.
- Standardized process for labelling placenta specimens for Lab such that no specimen rejections have occurred when the specimen is labeled.
- Modified huddle board to display bed status for Labour and Delivery, Special Care Nursey and Paediatrics on a daily basis as a quick reference on the unit. The Pulse electronic dashboard, implemented in April 2018 and refreshed every five minutes, will complement this visual tool.
- Process refined to ensure timely reporting of Edinburgh Depression Scale results to Public Health for appropriate follow up as indicated.
- Process refined regarding communication of non-urgent information to paediatricians with improved communication results.
- Process for hearing screening consent revised resulting in fewer missed consents.
- Improved communication between Housekeeping and nursing through Housekeeping staff now carrying a WiFi phone.
- Breastfeeding feedback and tips from the lactation consultant have been included in the weekly email to staff to ensure their support to mothers and infants is best practice.

- Improved organization of and inventory on Infant Care systems to enhance readiness for infant resuscitation.
- Purchased additional equipment (thermometers, baby tubs) and developed processes to ensure access.
- Trained 3 additional fit testers for N95 respirators to facilitate timely testing for staff.
- Developed appointment cards for such issues as breastfeeding support, weight checks, bilirubin checks in response to patient-identified need. In the spirit of quality improvement, process continues to be refined and streamlined with end result to ensure parents have the necessary information.
- Physical modification at communication station removed potential risk of staff injury and created space for equipment.
- Worked with Lab to minimize barcode smearing and ensure visually clear barcode scanning so infants with blood sugar issues are cared for in a timely manner.

**Medicine - Stratford Site**

The Medicine Unit of the Stratford Hospital site implemented a number of quality improvement initiatives:

- Personal Support Worker (PSW) assignments - Challenges were expressed with respect to equitable PSW support for stroke rehab and medicine patients with the result of unclear assignments, role confusion and multiple requests for PSW assistance. The unit experienced some success with respect to role clarification and improved assignment processes.
- Discharge Rounds – Mid-morning Rounds were difficult for nurses to consistently attend and/or have the necessary information for discharge planning. Rescheduling the Rounds to mid-afternoon resulted in no significant difference in patient flow or ability of allied health staff to attend although nursing staff demonstrated significantly greater attendance and reported better knowledge of patient information.

**Medical Imaging**

The Medical Imaging Department implemented a number of quality improvement initiatives:

- HPHA's CT scanner was replaced in February 2018, providing state-of-the-art technology, lower radiation doses and more reliable equipment. A thorough planning process developed a comprehensive contingency plan for the two week CT downtime period which allowed patients to be scanned at nearby hospitals.
- In response to long wait times for MRI and CT exams and incorrect or unnecessary exams being ordered, protocols, and requisition and incomplete/denial forms have been standardized across all SWLHIN hospitals. A similar process is underway for CT.
- Medical Radiation Technologists at the Stratford Hospital site were trained regarding the proper care and maintenance of Peripherally Inserted Central Catheter (PICC) lines when administering IV contrast in CT scans. In addition to an eLearning module developed by the Educators, the simulation arm is an additional teaching/practice resource. This initiative has improved the patient experience as an IV does not need to be inserted for the injection if the patient has a PICC line.
- In response to a request from a surgeon's office on behalf of a patient, information pamphlets regarding Imaging examinations are being created to better inform patients of procedures.

**Mental Health**

**Huron Perth Helpline and Crisis Response Team (HPHCRT)**

A Mental Health Agency Referral Form was developed to improve the process of referral from the Huron Perth Helpline and Crisis Response Team to over twenty agencies. In response to identified safety concerns; difficulty obtaining information from the OCAN (Ontario Common Assessment of Need, a standardized assessment tool); every provider having a different form (or perhaps no form); difficulty obtaining and/or transferring information; varying work shifts; partners not always being available; duplication of documentation; and the reason for referral not being clear, one form and a consistent process for referral and follow up were implemented.

A second quality improvement was initiated to ensure all contacts with the HPHCRT are registered to accurately reflect patient contact and capture workload.

**Inpatient Unit**

The Mental Health Unit implemented a number of quality improvement initiatives:

- Creation of Nursing Assignment Sheet to ensure all patients and any other duties are assigned (e.g. required discharge follow up calls).
- Revision of Standard Work for both ECT and discharge follow up calls.
- Discontinued practice of storing items that could put others at risk in locked cupboards in patients' rooms.
- Installation of a medication safe in the medication room to comply with medication safety standards.
- Enhanced orientation for new hires and novice staff to address gaps in knowledge and ensure staff receive support to be successful.
- Reinstituted quarterly staff meetings with an added education component
- Implemented revised Group Schedule for inpatients
- Trained all staff on MH RAI (Mental Health Resident Assessment Instrument) so assessments are completed each night shift resulting in greater data accuracy to reflect patient needs and promote timely treatment planning.
- Installed blinds to ensure the privacy of patients in our safe area as indicated.

**Seniors Mental Health Program**

The Seniors Mental Health Program developed and implemented an assignment sheet to include making and tracking discharge follow up calls.

**Nutrition and Food Services (NFS)**

Nutrition and Food Services implemented a number of quality improvement initiatives:

- Updated diet order entry process in Unit Clerk manual in response to identified errors in ordering diets, over-processing and rework, and patients waiting for meals. The Diet Order Entry process was evaluated and resource binders with an emphasis on "scenario-based" diet order entry examples were developed for Unit Clerk. This resources was piloted on several inpatient units and during HPHA orientation; NFS staff have referenced the binder as a teaching tool when Unit Clerks have issues with diet entry. In April 2018, the resource manual will be revised as informed by the pilot and then rolled out HPHA-wide.
- Updated three vending machines to accept plastic bills and debit/credit payment options in response to patients, families and staff not being able to access vending machines. In addition to improved access, the time spent counting vending money is reduced by 50% and it is

assumed although not yet verified if there has been an increase in vending sales due to convenience of debit/credit.

- In response to patients and the public often not being aware of the West Side Café at the Stratford Hospital site, a daily menu template was developed for posting in 8 locations. The preliminary results demonstrate a 7.7% increase in the number of customers, and a 14.2% increase in revenue, over a 6 week period.
- In response to some food allergies being entered as drug allergies on diet sheets and potentially missed, NFS conducted an extensive review that resulted in 85 food allergens formerly listed incorrectly as drugs being correctly identified. This initiative resolved a significant potential patient safety risk.
- In response to patient dissatisfaction regarding the temperature of hot food served to Emergency Department patients, NFS hold several hot meals at the end of regular patient meal service for use as needed for ED patients.
- Standard work developed regarding the required standard of practice that samples are to be taken of all foods and held for 7 days.
- Procedure developed for staff to follow prior to and during planned steam shutdowns; this procedure will be incorporated in the department-specific Emergency Plan.
- Standard Work developed regarding cold items stocked on retherm carts.

**Pharmacy**

Key quality improvement initiatives and achievements include:

- Hosted first PharmD student from University of Waterloo in Spring 2018 as the start of an ongoing program to help train and develop future hospital pharmacy practitioners and attract potential staff.
- Created and implemented of a full time pharmacy technician role to drive and maintain compliance with standards for pharmacy sterile compounding.
- Ryan Itterman, Director, Regional Pharmacy Services, named as a member of the Ontario College of Pharmacists Hospital Practice Advisory Committee.
- Ongoing management of medication shortages that have impacted hospitals and healthcare settings across Canada.
- Created a dedicated medication room in Chemotherapy with an automated dispensing cabinet to better control medication, enable utilization reports and meet Ontario College of Pharmacists standards.
- In response to a patient safety incident and as a risk mitigation feature, a red formulary alert was implemented in the Order Entry module and on the automated dispensing cabinet to warn staff to use Potassium 20 mmol bags only for patients who have central (not peripheral) lines.

**Key Pharmacy Statistics**

| HPHA | Total for 2017/18 | % Change from 2016/17 | Target |
|---|---|---|---|
| Number of Medication Orders | 221,322 | Increase of 1.4% | N/A |
| Number of Medication Doses Dispensed | 748,631 | Increase of 4.4% | N/A |
| % of Medication Doses Dispensed from Automated Dispensing Cabinets | 87.2% | Increase of 0.6% | Greater than 87% |

**Rehabilitation Therapies**

Rehabilitation Therapies implemented a number of quality improvement initiatives:

- Acupuncture, formerly provided in the outpatient physiotherapy programs, has been reintroduced as an additional modality to better serve outpatients.
- In response to rehabilitation therapy staff workload being inconsistently documented, difficult to interpret and not reflective of the actual workload, a guide was developed to facilitate accurate, consistent reporting. This is particularly useful in situations when staff work alone and may not have a peer to provide direction or clarification as needed.
- The Clinton Unit Action Council identified a need to create opportunities for activities, mobilization and socialization for the complex continuing care patients and created a daily "tea time" group therapy supported by Personal Support Worker staff during weekdays.
- In response to inconsistent practices for obtaining and documenting patient consent by allied health staff, standards of regulated health professionals colleges and the *Health Care Consent Act* were reviewed and presented to the Interprofessional Collaborative Team, and assessment forms were amended to allow accurate documentation of consent.

**St. Marys**

In response to patient experience and in consultation with a patient partner, the content of and process regarding Day Surgery patient instruction Sheets "Dressing and Suture Instructions – Plastic and Cosmetic Surgery" were modified to provide more clear instructions.

**Seaforth**

The Seaforth Hospital site inpatient unit and Emergency Department implemented a number of quality improvement initiatives:

- Standard work was created regarding missing and/or incomplete records with significant gains noted during a four month trial when compared to the previous six months.
- Standard work was created related to proper removal of and wastage of narcotics and regulated medications from the automated dispensing cabinet in the Emergency Department. Since implementing this initiative in December 2017, no narcotic-related incidents have occurred
- Standard Work was created in response to X-ray requisitions that were being missed; as a result, staff and departments have role clarity; registration errors are reduced due to incomplete information; and unnecessary work is eliminated. Similarly a Standard Work process for handling X-ray requisitions after-hours and on Sundays was implemented as such requisitions result in an increased number of orders for the following day. These changes have resulted in greater staff satisfaction and streamlined consistent processes.

**smallTALK (Huron Perth Pre-School Speech and Language Program)**

The program received 501 referrals of which 42% were directed to HPHA sites. This is a decrease of referrals from the previous year which reinforces the need to be able to reallocate clinical resources on an annual basis. Hours for Communicative Disorders Assistants were increased to better meet the needs in our region; Speech Language Pathology hours were also temporarily increased as needed.

The program had a slight increase in referrals for 18 month olds from their enhanced well baby visit. Of those toddlers assessed to date, over 90% had some type of intervention recommended, most often regarding parent education on language facilitation techniques. Two Hanen It Takes Two to Talk parent education training sessions were provided in partnership with the EarlyON Child and Family Centre which provided the space and child minding services.

smallTALK, in collaboration with other Kids First partners on the Early Literacy Network, has expanded the promotion of early literacy and language development by partnering with midwives in Perth and both Health Units. Healthy Babies Healthy Children screens conducted in hospital by Public Health Nurses now ask if the family received the Read to Baby book bundle and provide the Prescription to Read to further reinforce the benefit of reading to babies.

The program continues to maintain a wait time of seven weeks between referral and assessment, an excellent response time in comparison to peer PSL programs.

Whereas the average wait time for assessment remains the same as last year, the wait time for the first intervention has been reduced by one week.

No children were waiting for their first intervention at the end of the fiscal year whereas at the same time last year 16 children waiting. Reallocating resources during the year helped reduce the wait times.

**Stroke - Community Stroke Rehabilitation Team/Integrated Stroke Unit/Secondary Stroke Prevention Clinic**

**Continuity of Care/Transition to Community** - In response to a Patient Partner's observation that leisure goals were a gap in inpatient stroke care with a resultant lack of continuity of care in transitioning patients home, a Community Stroke Rehabilitation Team Therapeutic Recreation Therapist now visits the Integrated Stroke Unit two afternoons per week. As a result, relationships have been built with staff, space has been identified for recreation therapy and a weekly patient/caregiver calendar of activities has been developed. On average, 4-6 patients participate weekly in the group recreation as well as family and friends. This initiative complies with a recommended continuity of care for transitions from hospital to home.

**Stroke Peer Support Program -** A Community Stroke Rehabilitation Team (CSRT)-led peer visitor program has been implemented to support patients on the Integrated Stroke Unit (ISU). Peer volunteers are former patients of the ISU and CSRT and provide peer support earlier in recovery, help stroke survivors and their families understand and navigate the healthcare system and community resources, and support a smoother transition from acute care to the community leading to an improved patient experience. Since peer visits began in November 2017, on average 9 stroke patients a month received daily peer visiting support Monday through Friday.

**Interprofessional Collaborative Stroke Rounds**

A monthly Interprofessional Collaborative Stroke Rounds was initiated in November 2017 to review patients of both the Community Stroke Rehabilitation Team (CRST) and the Integrated Stroke Unit (ISU). Continuity of information, transfer of knowledge and ensuring gaps are addressed are achieved through the attendance of a CRST staff members and the continuity provided by a consistent lead at Rounds. In addition, a CSRT staff member attends inpatient rounds twice a week which has resulted in improved continuity of patient care post-discharge, and enhanced knowledge and relationships between community and inpatient staff.

The interprofessional collaborative stroke rounds underwent a quality improvement to improve information exchange and decreased duration. As a result, more interprofessional team members are able to participate; Rounds have been reduced from 30-45 minutes to less than 30 minutes; next steps

for patients are identified and documented; criteria for admission to stroke rehabilitation are applied; all stroke patients are reviewed; and access to and patient flow through the ISU are improved.

**Discharge Rounds** - The time of daily Discharge Rounds was changed which allowed more staff, particularly allied health, to attend and half of survey respondents noted an improved quality of information related to patient progress regarding discharge goals; of note, the majority of nurses consistently attended Discharge Rounds. Focusing on discharges early in day realized no significant difference in performance related to time of or number of discharges

**Personal Support Worker assignments** - The PSW role and scope of practice were clarified and a more equitable patient assignment was achieved to support patient care. This initiative was flagged for spread to the newly created Medicine Unit for early 2018/19.

## PATIENT VOLUMES

| Department/Program | Service | 2014/15 Volume | 2016/17 Volume | 2017/18 |
|---|---|---|---|---|
| Chemotherapy | Oncology Visits | 1,083 | 1,087 | 1,326 |
| CCC/Rehab | Complex Continuing Care Patient Days | 9,766 | 9,635 | 9,390 |
| | Rehabilitation Patient Days | 4,588 | 4,998 | 5,997 |
| | Occupational Therapy Attendance Days | 9,610 | 13,475 | 13,149 |
| | Physiotherapy Attendance Days | 23,979 | 26,759 | 28,221 |
| Emergency | Emergency Department Visits | 56,615 | 57,327 | 62,047 |
| Imaging | Bone Density Scans | 1,164 | 2,480 | 2,891 |
| | CT Scans | 11,202 | 12,363 | 12,599 |
| | Mammography Exams | 5,971 | 6,417 | 6,686 |
| | MRI Scans | 4,690 | 5,358 | 5,221 |
| | Nuclear Medicine Exams | 2,677 | 2,853 | 2,566 |
| | Ultrasound Exams | 16,216 | 24,166 | 24,550 |
| | X-Rays | 44,594 | 45,207 | 46,299 |
| Laboratory | Biochemistry Tests | 615,150 | 607,717 | 610,137 |
| | Blood Bank Tests | 18,327 | 17,564 | 16,658 |
| | Hematology Tests | 74,504 | 76,972 | 16,658 |
| | Histology Tests | 61,813 | 63,569 | 68,119 |
| | Microbiology Tests | 86,186 | 88,744 | 87,454 |
| Maternal/Child | Babies Delivered | 1,127 | 1,124 | 1,100 |
| Inpatients | All Acute Inpatients | 8,107 | 8,451 | 8,271 |
| Medicine Inpatients | Acute Medicine Inpatients | 2,097 | 2,088 | 1,764 |
| Mental Health | Community Mental Health Services Contacts (Outpatient) | 23,845 | 25,216 | 26,642 |
| | Mental Health Patient Days (Inpatient) | 4,462 | 4,920 | 4,748 |
| Stroke Prevention | Community Stroke Rehab Team Clients | 270 | 139 | 193 |
| | Secondary Prevention Clinic for Transient Ischemic Attack (TIA) /non-disabling stroke clients | 259 | 293 | 375 |
| Surgery | Inpatient Surgeries | 2,150 | 2,155 | 2,172 |
| | Day Surgeries (13,404 visits in 2011/12) | 11,530 | 12,516 | 12,578 |
| Renal Program | Dialysis visits | 4,262 | 3,233 | 3,473 |

# Patient & Family Experience Report

2017/2018

# HURON PERTH HEALTHCARE ALLIANCE

# Patient Experience Annual Report 2017-2018

HPHA
HURON PERTH HEALTHCARE ALLIANCE

**Respectively submitted,**

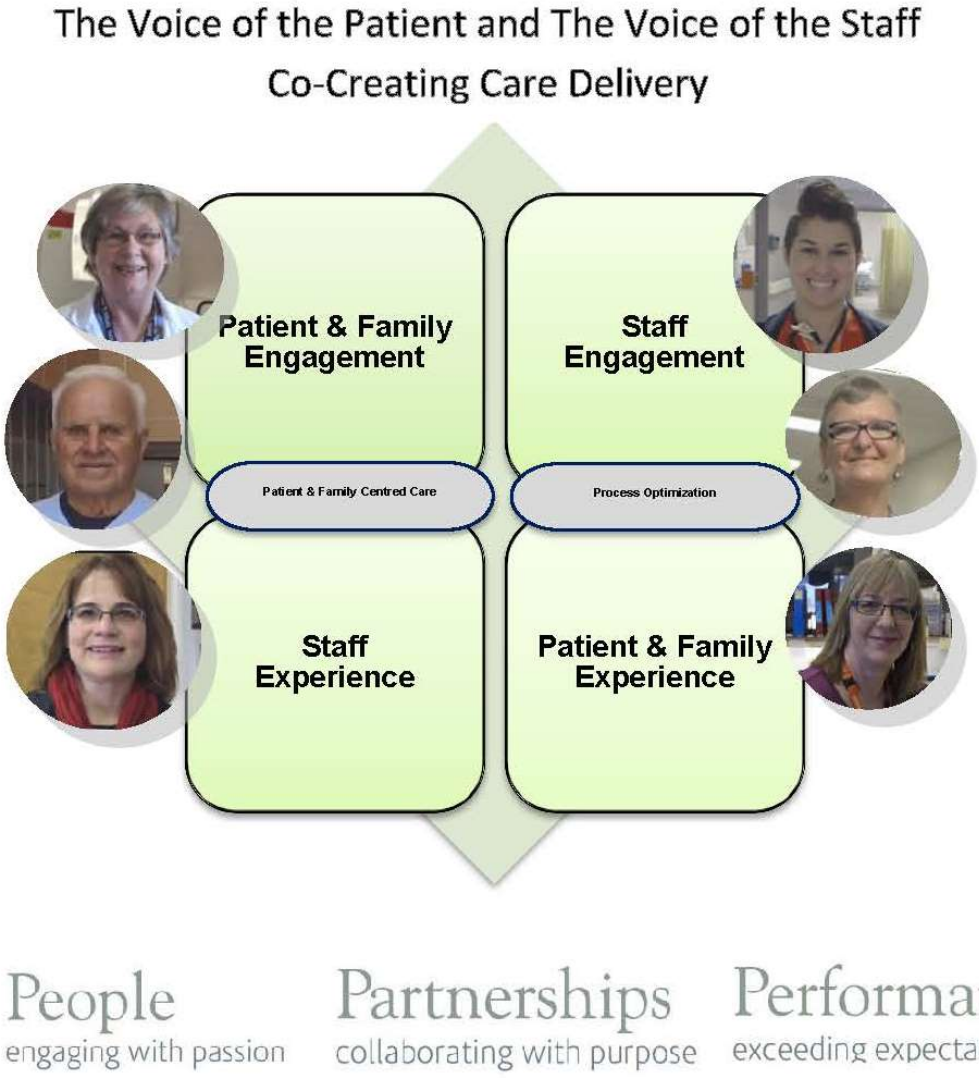
**Anne Campbell, Vice President Partnerships & Chief Nursing Executive**
**Michelle Jones, Corporate Lead Patient Experience and Privacy**

**HPHA is committed to hearing the VOICE of the patient and the VOICE of the staff to better understand the experience of each.**

# TABLE OF CONTENTS

# PATIENT, FAMILY AND STAFF EXPERIENCE FRAMEWORK - LOGO

**Huron Perth Healthcare Alliance – Patient, Family and Staff Experience Framework**



# PATIENT, FAMILY AND STAFF EXPERIENCE FRAMEWORK - STRATEGIES WITH OUTCOME METRICS

| Strategy | Outcome Metric |
|---|---|
| **PATIENT ENGAGEMENT** | |
| Patient Partners participate in Staff Orientation | 100% attendance |
| Patient Partners designed recruitment/onboarding | 100% participation satisfaction with onboarding |
| Patient Partners are members of Unit Action Councils | Number of process improvements |
| Patient Partners visit in-patients to complete electronic patient experience surveys | Approach patents with iPAD survey prior to discharge |
| Patient Partners participate in project work & improvement processes | Project outcome measure |
| Committee participation<br>a. Quality Committee<br>b. Medical Advisory Committee<br>c. Patient Partnership Council<br>d. Stroke Visiting Program | 100% attendance |
| **STAFF ENGAGEMENT** | |
| Staff receive education on Patient, Family and Staff Experience Framework & video | 100% Orientation session |
| Staff are members on Unit Action Councils | Number of process improvements |
| Staff perform Safety Rounds on units | Safety Rounds form signed by leader |
| Staff attend daily Huddles | Number of process improvements |
| Staff participate on project teams & improvement processes | 100% Participation |
| Committee Work<br>a. Patient Partnership Council<br>b. Tissue & Organ Donation Committee<br>c. Program Care Teams | 100% attendance |
| **PATIENT EXPERIENCE** | |
| HPHA seeks patient feedback (paper, telephone, email, letter, website) | Complaint contact time |
| HPHA performs in the moment surveying (bedside) | Number of improvement processes |
| HPHA contracts National Research Council Canada (NRCC) to perform patient experience surveys on Maternal Child, Emergency Department and Day Surgery following discharge | Number of improvement processes |
| HPHA Leaders perform rounding on all patients; in-patients daily and out-patients monthly | Service recovery documented |
| HPHA enhanced website information on hospital services | Feedback from users |
| HPHA enhanced website Information on Patient, Family and Staff Experience Framework | Feedback from users |
| Active sharing of patient stories at all levels | Patient story / meeting |

## Patient, Family and Staff Experience Framework - Strategies with Outcome Metrics….continued

| STAFF EXPERIENCE | |
|---|---|
| Annual Workplace Pulse Survey | Collation of themes |
| Leader Rounding on all staff every two months | Number of ideas generated<br>Service recovery documented |
| Staff recognition strategies on a regular basis | Number of staff recognized |
| Supporting staff development | Education resources |
| Evaluating secondment to project teams to improve experience<br>a. Unit Action Council participation | 100% attendance |
| Annual Patient Experience Week activities recognizing staff | Activities |

# PATIENT & FAMILY ENGAGEMENT

## QUALITY IMPROVEMENT PLAN - PERSON CENTERED CARE PLAN 2017-2018

In the Fall of 2017 we transitioned the Patient and Family Experience Steering Committee to the Patient Partnership Council (PPC). This further enhanced the patient and family voice in healthcare processes and provided a resource for hospital staff and leaders to seek Patient Partners for improvement initiatives. A new Terms of Reference was established and the role of the patient partner was defined. We increased opportunities for engagement with the new PPC and other healthcare process improvements across the HPHA. A number of staff and physician education sessions were completed to sustain the Patient, Family and Staff Experience Framework strategies and the value of the Patient/Family/Staff Voice.

## PATIENT PARTNERSHIP COUNCIL (PPC)

**Mandate**: The Patient Partnership Council (PPC) will provide leadership to advance Patient & Family Center Care (PFCC) ensuring that patients and families are at the center of everything we do.

**Purpose:** To represent the voice of the patient & families of the Huron Perth Healthcare Alliance who have unique experience, insights, expertise and perspectives that help to advance PFCC through support of *HPHA's Mission, Vision and Values.*

The Council has increased the number of Patient Partners from two to eight and provides a forum for staff, physicians and leaders to bring process improvement ideas forward for patient partner input and participation. The Council will provide quarterly updates of progress and plans for process improvements to the Quality Committee.

**The Council's primary functions include:**

Enhance understanding of and continuing to grow and embed our Patient & Family Centered Care Philosophy by:

Monitoring and reviewing Patient & Family Centered Care performance including patient experience, action plan progress and other corporate strategy metrics

- Reviewing appropriate patient experience data
- Suggest opportunities for improving the patient experience
- Reviewing quality improvement initiatives & successes

Developing annual work plan to position Huron Perth Healthcare Alliance as a leader in Patient & Family Centered Care

**Goals & Objectives:** The Council will assist with recommendations to the Quality Committee regarding opportunities for improvement for inclusion in the annual Quality Improvement Plan (QIP)

The Council will evaluate, at least annually, the overall strengths and weaknesses of the Council's functioning and develop strategies to deal with identified gaps.

Prepare a report for presentation to the Board of Directors as requested. The report will include:

- Partnerships, advancement and outcomes of the Council
- Recommendations on the measures, policies, practices and other requirements for the identification, removal and prevention of barriers for patient and families at the Huron Perth Healthcare Alliance

# PATIENT PARTNER RECRUITMENT / ONBOARDING

HPHA identified the need to enhance our patient partner recruitment efforts to increase the number of patient partners across the Alliance. We engaged Patient Partners to enhance the recruitment & onboarding process in partnership with the Volunteer Services, along with a robust marketing plan that has been executed successfully.


- ✓ Successfully recruited 3 new Patient Partners; 2 Staff
- ✓ Goal met to increase the number of Patient Partners
- ✓ New Patient Partner onboarding process developed
- ✓ New Patient Partner Handbook developed
- ✓ Annual Meeting for all Patient Partners
- ✓ Recruitment efforts remain ongoing

# PATIENT PARTNER INVOLVEMENT:

- ❖ Committee Memberships:
  - ✓ Participation on the Unit Action Councils (UAC)
  - ✓ Patient Partnership Council (PPC)
  - ✓ HPHA Quality Committee
  - ✓ HPHA Medical Advisory Committee (MAC)
  - ✓ Tissue and Organ Donation Committee
- ❖ Participation in New Staff Orientation Day
- ❖ Presentation Participation at OHA, Beryl Institute Patient Experience Conferences
- ❖ Project Involvement: bedside whiteboard refresh, bedside change of shift report, Change Foundation: Connecting the Dots, Leaders Staff Rounding, Quality Improvement Plans
- ❖ Patient Educational Material – Special Care Nursery Handbook, Surgical Out-patient Instructions, President and CEO Letter
- ❖ Hiring Interview panels with Leaders
- ❖ Stroke to Stroke Peer Visit Program: Patients who experienced care in the integrated Stroke Unit and then were supported in their home by the Community Stroke Rehabilitation Team were offered an opportunity to “give back” by becoming hospital volunteers on the Integrated Stroke Unit. They provide one-to-one visits, providing conversation and hope by setting an example of what recovery can look like. More than 50 stroke patients have experienced their program since its launch December 2017.

## Leader Rounding On Patients

HPHA introduced Leader Rounding as a coordinated approach to support, reinforce and recognize the principles of person centered care and staff/practice expectations. The overall purpose of rounding is to empower leaders, executives, administrators, nurses, and staff to be proactive, not reactive, to patient and staff needs, issues and feedback. Rounding provides a systematic approach to connecting with front line operations, collecting feedback from patients and staff and responding in a timely manner if there is an issue. This timely response is referred to as "service recovery".

Rounding on patients is an intentional moment which leads to measurable gains in patient satisfaction. Rounding is supported by 'rounding templates' with scripted questions that allow for consistency and allow for brief documentation. A manager will round on a patient to see if they had transfer of accountability at the bedside, if they know who their nurse is, if the bedside white board has been updated and if the patient understands their plan of care. Documentation is related to findings.

- Managers round on all patients daily and opportunities for improvement are shared with staff and represented on the unit huddle board.
- Managers will follow up with staff if gaps in care are noticed to reinforce practice expectations and provide positive support for professional development as needed
- A Director, Vice President, President & CEO will have a script for when they round on patients monthly and will have brief documentation for follow up/service recovery.
- Patients are encouraged to recognise any staff member who stands out for them

patient feedback

*I did not know I could order a tray of food for myself or that I could ask one of the nurses to watch my child so I could run and get a coffee/food. Kerri Hannon and Andrew Williams came to visit me and made me aware of the above….and got me coffee*
*☺ THANK YOU Kerri & Andrew*

## Rounding Outcomes

| IDEA | SITE |
|---|---|
| Diabetes Patient Registration process streamlined to improve patient experience in Diabetes Clinic | Stratford General Hospital |
| Patient moves during the night on Maternal Child are disruptive to Mom and baby and a process improvement is looking ahead to patient activity to plan better. | Stratford General Hospital Maternal Child Unit |
| Out-Patient Small Talk clinic: kids will run down the hall into elevator lobby while therapist explaining treatment to Mom. Facilities Management adjusted the doors to secure the kids within the department. This small adjustment has had a positive impact for staff and client safety | Stratford General Hospital |
| Patient and family care plan resulted in overnight stays for family caregiver to learn aspects of 24 hr care which lead to a successful transition home | Seaforth Community Hospital |

# STAFF ENGAGEMENT

## DAILY HUDDLES - PROCESS IMPROVEMENT BOARDS

Process Improvement boards make a difference by promoting teamwork (engage staff, physicians, volunteers, patients & families) to improve patient care and staff work life - encouraging everyone to have a voice to promote positive change through process improvements and consistent communication.

## CONTINUOUS QUALITY IMPROVEMENT ON EVERY UNIT/DEPARTMENT

- 24/7 Huddles focusing on continuous process improvements
- Value-stream/process mapping
- Plan-Do-Study-Act (PDSA) cycles
- Kaizen Events


## COMMITTEE WORK

- 2 staff members recruited to the Tissue & Organ Donation Committee
- Unit Action Council Participation

## WORKPLACE PULSE SURVEY

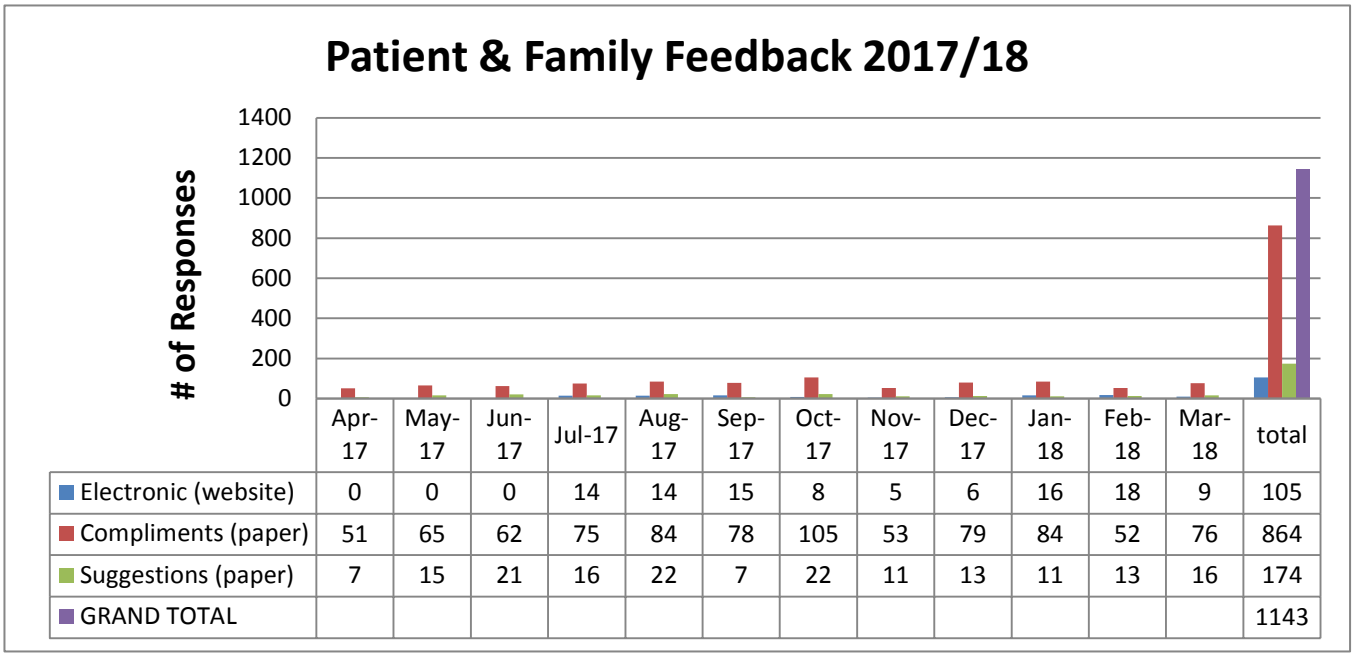
A Workplace Pulse survey is conducted annually to learn more about staff perceptions on their work environments. The survey will reflect areas of staff concern that require attention and time limited action plans are developed to ensure the areas of concern are addressed.

For example, we learned that staff were concerned that completing the HPHA RL Solutions Risk reports would result in disciplinary action or jeopardize their employment. As a result, we developed and shared information to reassure them the risk reports are not used for finger pointing and to emphasize the value these reports bring to understanding more about process and system issues that can put patients and staff at risk.

# PATIENT EXPERIENCE

## PATIENT AND FAMILY EXPERIENCE FEEDBACK

The Huron Perth Healthcare Alliance is committed to seeking feedback from patients and family members that contributes to a culture of exceptional patient and family experience. The HPHA views observations, compliments, personal experiences, complaints and /or concerns from patients, families and visitors as a valued source of information regarding the perception of the Alliance and the quality of the services of care provided. The routes for feedback are: External Website – Electronic Patient Experience Survey, Contact us form, paper Patient Experience surveys, NRC Picker surveys, email, letters, telephone calls.




| | Apr-17 | May-17 | Jun-17 | Jul-17 | Aug-17 | Sep-17 | Oct-17 | Nov-17 | Dec-17 | Jan-18 | Feb-18 | Mar-18 | total |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Electronic (website) | 0 | 0 | 0 | 14 | 14 | 15 | 8 | 5 | 6 | 16 | 18 | 9 | 105 |
| Compliments (paper) | 51 | 65 | 62 | 75 | 84 | 78 | 105 | 53 | 79 | 84 | 52 | 76 | 864 |
| Suggestions (paper) | 7 | 15 | 21 | 16 | 22 | 7 | 22 | 11 | 13 | 11 | 13 | 16 | 174 |
| GRAND TOTAL | | | | | | | | | | | | | 1143 |

****4.86% increase in feedback from 2016/17 (1090 Total Feedback Received)**

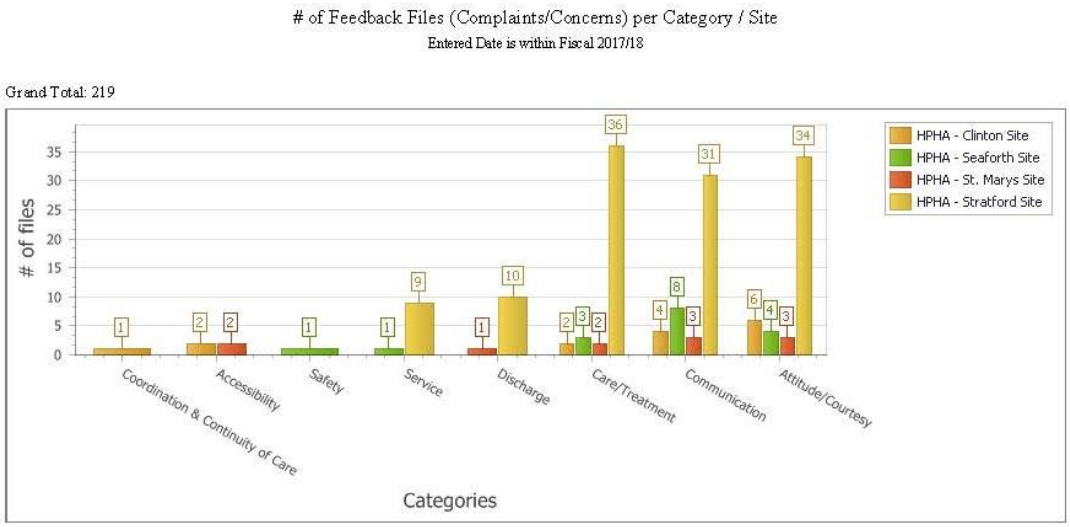
## PROCESS IMPROVEMENTS BASED ON OUR PATIENT & FAMILY FEEDBACK RECEIVED


| Feedback | Improvement |
|---|---|
| Patients and family members want to be engaged early in their stay regarding discussions on transferring to another site | A new President and Chief Executive letter was created, laminated and placed at every bedside whiteboard. Nurses review key items in the letter at admission and document they have done this. Chart audits reveal 90-100% compliance. |
| Maternal Child – Access to better food after hours | New vending machines with improved meal options placed in lobby area outside of Maternal Child Unit |
| Noise and smells from construction and renovations | Improved communication with patients and families when construction/renovations are occurring; what to expect. Key messaging provided to leader and staff |

# PATIENT AND FAMILY EXPERIENCE -EXCELLENT CARE FOR ALL ACT (ECFAA) – PATIENT RELATIONS PROCESS

Under the Excellent Care for All Act, every healthcare organization is mandated to have processes for receiving, reviewing and attempting to expeditiously resolve complaints from patients and their caregivers. HPHA has involved patient partners in designing, reviewing and maintaining these processes and has also developed processes to record, monitor and analyse data related to patient and caregiver complaints including resolution or non-resolution of the complaint. Under this legislation, the complainant is to be informed of the status of the review of the complaint within five days from the day the complaint is received by the organization and whenever the complainant reasonably requests further information. HPHA routinely acknowledges receipt of the compliant within two days; the five day follow up is anecdotally quite consistent although this is anticipated to become a reliably tracked metric in our electronic system.

The following chart reveals the number of closed complaints/concerns electronically tracked for 2017/18.




***Data reveals patients and families are generally happy with the medical care provided however, their perception of communication needs improving. The total number of complaints/concerns tracked has more than doubled from 2016/17 (84) to (219) in 2017/18. This increase can be contributed to increased communication to patients and families on how to provide feedback, increased follow up on concerns and electronic tracking. In 2016/17 HPHA was in the process of implementing RL Solutions and keeping manual records of complaints.*HPHA continues to learn software capabilities.***

The top three complaint / concern categories (representing 62.1% of all complaints) received from patients and their families:

1. **Care/Treatment** – Eg; Access to care, comfort during tests, emotional support
2. **Communication** – Eg; Communication style, communication between family and care team, explanation of care plan
3. **Attitude/Courtesy** – Eg; Appropriateness of comments, courtesy and respect, helpfulness, kindness exhibited by staff

**Strategies for Communication Improvement:**

1. Rounding theme for staff rounding
2. Communication at huddle boards
3. Provide staff with speaking points for patients on admission regarding what to expect
4. Physician communication workshops

# STAFF EXPERIENCE

## LEADER STAFF ROUNDING

Rounding is an intentional moment with a staff member and like patient rounding, is supported by 'rounding templates' with scripted questions that allow for consistency and allows for brief documentation. The goal is to build better relationships with staff, share positive feedback, and make sure they have what they need to do their job effectively.

- The Manager, Director, Vice President, President & CEO will round on their staff members every two months with corresponding documentation.
- The staff members are encouraged to recognize another staff member
- A Director, Vice President and President & CEO will also round on random staff members monthly with different templates and a script and will have brief documentation for follow up/service recovery.


The HPHA rounding model supports the Patient, Family & Staff Experience Framework where the voice of the staff contributes to improving their work environment and the way we deliver heath care services. Ideas are encouraged at the daily huddles, but rounding provides another opportunity for staff and leaders to speak privately should staff prefer to express ideas without an audience. This dedicated time allows the leader to support staff to be successful in their work environment.

## STAFF RECOGNITION

Through Leadership rounding "**in the moment**" recognition and support fosters a quality work environment. Staff receive cards, emails or personal one on one recognition from Managers, Directors, Vice Presidents and the President and CEO. The culture shift to spontaneous recognition is demonstrated weekly. The Maternal Child program has initiated a new "Compliments/Kindness Box" for staff to place notes to recognize peers and the notes can be anonymous; notes are read at daily Huddle.

## STAFF ROUNDING IMPROVEMENT IDEAS

| IDEA | HPHA SITE |
|---|---|
| Diabetes Educators developed a teaching checklist and added this to the Diabetes Patient Care Flowsheet to ensure coverage of all topics at subsequent appointments | ALL |
| Plan-Do-Study-Act (PDSA) on Educator Huddle Board to track projects, priorities and capture requests and what is on the radar for Educators. SUCCESS!! | Stratford General Hospital |
| Provided explanation for 'Butterfly' sign for hospital staff to know what it means when placed on patient doors in Maternal Child; it represents fetal demise. | Stratford General Hospital Maternal Child Unit |
| Bed Allocators found it time consuming to open and close beds that are co-classified on the bed board. They now keep all beds co-classified open on the bed board. This has improved their workflow and reduces confusion | Stratford General Hospital |

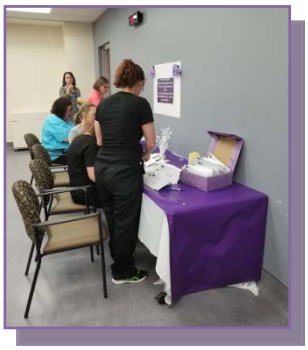
# Staff Experience / Recognition

## Annual Patient Experience Week Celebrations

The **5th Annual Patient Experience Week** was celebrated (April 23-27). Patient Experience Fairs were held across all fours sites celebrating staff for all they do


Staff/physician/volunteers enjoyed a free lunch as a **THANK YOU** for all that they do for the **PATIENT EXPERIENCE**
Staff sent peers, physicians and volunteers 'candy grams' recognizing them for going above and beyond for patients. Over "500" candy grams were distributed across the organization!!! This station continues to be set up in the Patient Experience Office.





# STAFF EXPERIENCE / RECOGNITION

## *NEW* SENIOR LEADERSHIP TEAM WALK TOGETHER WITH STAFF – VIDEO PREMIERE

***Videographer: Crystal Turner***

Senior Leaders ***Walking Together*** *with "staff in action" to learn how the contribute to the* ***Patient Experience*** *every day!*

**WALK Together with Staff**

**APPRECIATE Staff** *for the work they do*

**LEARN** *what* **Staff** *accomplish in a day*

**KNOW** *how* **Staff** *influence the Patient Experience*

*"This was a fantastic experience! Facilities Management is something staff and patients don't get to see. It's an important role to keep our facilities safe for our patients, families and staff."*

*Ken Haworth, Vice President Performance, Chief Financial Executive*

Huron Perth Healthcare Alliance

# About Us

# *Huron Perth Healthcare Alliance*

## *Governance*

***2017/2018***

## *Board of Directors*

***John Wolfe***
Board Chair

***Ron Lavoie***
Vice Chair

***Jack Alblas***
Treasurer

***Mary Atkinson***
Past Chair

***Lynn Girard***
***Steve Hearn***
***Kim Ross Jones***
***Kerri Ann O'Rourke***
***Olga Palmer***
***Bill Scott***
***Rena Spevack***

***Dr. Laurel Moore***
Alliance Chief of Staff

***Dr. Shawn Edwards***
President, Medical Staff – Stratford Site

***Dr. Daniel Ooi***
Site Chief, Clinton Public Hospital

***Dr. Chuck Gatfield***
Site Chief, St. Marys Memorial Hospital

***Dr. Heather Percival***
Site Chief, Seaforth Community Hospital

***Dr. Kevin Lefebvre***
Site Chief, Stratford General Hospital

***Anne Campbell***
Chief Nursing Executive

***Andrew Williams***
President & Chief Executive Officer

## *Local Advisory Committees*

**Clinton Site**
Greg Stewart, Chair
Marie Bergsma
Janice Cosgrove
Ann MacLean

**St. Marys Site**
Elizabeth Hill, Chair
Mark Dickey
Lois Felkar
Lynn Hainer
Stacey MacNeil
Cathie Szmon

**Seaforth Site**
Dick Burgess, Chair
Joyce Doig
Angela Kyveris
Wendy Hutton
Margaret Marian Lee
Karen Regier

**Stratford Site**
Rick Orr, Chair
Sam Cherian
Tracy Forster Ivanyshyn
Bob McTavish
Mary McTavish
Leanne Perreault
Mary-Lynn Priestap
Richard Seip

# *Huron Perth Healthcare Alliance*

# *Professional Staff*

***2017/2018***

## *Medical Leadership*

***Dr. Laurel Moore***
Chief of Staff

***Dr. Kirsten Blaine/Dr. Ram Gobburu***
Chief, Paediatrics

***Dr. Malcolm Carlson***
Medical Program Director, Laboratory Medicine

***Dr. Ramandeep Chahal***
Medical Program Director, Mental Health

***Dr. Anne Martin***
Chief, Family Medicine

***Dr. Chuck Gatfield***
Site Chief, St. Marys Memorial Hospital

***Dr. Patricia Nascu/Dr. Cheryl Hillyer***
Medical Program Directors, Maternal/Child

***Dr. Lynda Harker***
Medical Program Director, Medical Imaging

***Dr. Shawn Edwards***
President, Medical Staff - Stratford Site

***Dr. Stacey Snider***
Physician Lead, Health & Wellness

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

***Dr. Kevin Lefebvre***
Site Chief, Stratford General Hospital
Medical Program Director, Surgery

***Dr. Miriam Mann***
Medical Program Director, Emergency Medicine

***Dr. Daniel Ooi***
Site Chief, Clinton Public Hospital

***Dr. Heather Percival***
Site Chief, Seaforth Community Hospital

***Dr. Phil Schieldrop***
Chief, Stratford General Hospital Emergency Department

***Dr. Collan Simmons***
Chief, Anaesthesia

***Dr. Thomas Haffner/Dr. Shanil Narayan***
Medical Program Directors, Medicine

## *Professional Staff Membership*

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Abdullah** | Dr. Rukhsana | **Gonser** | Dr. Randy | **Malak** | Dr. Mohammed | **Rouse** | Dr. Tyler |
| **Anstett** | Dr. Danielle | **Gorodzinsky** | Dr. Fabian | **Manickavasagam** | Dr. Shankar | **Rowe-Mahon** | Dr. P. Elaine |
| **Armstrong** | Dr. Kyle | **Gott** | Dr. William | **Mann** | Dr. Miriam | **Runnalls** | Dr. Matthew |
| **Baici** | Charlotte | **Goudy** | Catherine | **Marshall** | Dr. Shaun | **Runnalls** | Dr. Matthew |
| **Bains** | Dr. Richard | **Graham** | Jasmine | **Martin** | Dr. Anne | **Salo** | Dr. Rosaline |
| **Bandey** | Dr. Jason | **Guy** | Dr. James | **Martin** | Dr. Barry | **Salsbury** | Dr. Peter |
| **Barry** | Dr. Catherine | **Haffner** | Dr. Thomas | **Maruscak** | Dr. Adam | **Sawka** | Dr. Barry |
| **Bartlett** | Dr. Paul | **Haider** | Dr. Ehsan | **Mather** | Dr. James | **Schiedel** | Dr. Jon |
| **Beattie** | Dr. Sean | **Hancock** | Dr. Gregg | **Mayer** | Dr. Anna | **Schieldrop** | Dr. Phil |
| **Ben Nachum** | Dr. Ilanit | **Hanumanthaiah** | Dr. Deepak | **Maylin** | Sarah | **Schmitz** | Dr. Carmen |
| **Blaine** | Dr. Kirsten | **Harker** | Dr. Lynda | **McAuley** | Dr. Jeff | **Scott** | Dr. Bethany |
| **Blaine** | Dr. Sean | **Hart** | Dr. Laura | **McCreery** | Dr. Greig | **Seevaratnam** | Dr. Loretta |
| **Blaise (Connor)** | Sabrina | **Hasegawa** | Dr. Brian | **McCune** | Dr. Marcie | **Shepherd** | Dr. Carolin |
| **Bloch** | Dr. Christine | **Hassani** | Dr. Behzad | **McIntosh** | Zoe | **Shmuilovich** | Dr. Olga |
| **Boizot-Roche** | Dr. Melissa | **Hay** | Dr. Keith | **McKelvey** | Lia | **Simmons** | Dr. Collan |
| **Bokhout** | Dr. Maarten | **Heaton** | Dr. Graham | **McWilliam** | Dr. Morgan | **Sischek** | Dr. Stephanie |
| **Bradshaw** | Rebekah | **Heisz** | Dr. Erin | **Mehrain** | Dr. Shirin | **Sjaarda** | Amy |
| **Branson** | Dr. Richard | **Hillyer** | Dr. Cheryl | **Mercado** | Dr. Ashley | **Smallwood** | Dr. Jennifer |
| **Brooks** | Dr. Peter | **Ho** | Dr. Anthony | **Minnis** | Dr. Shantel | **Smith** | Dr. Alistair |
| **Brown** | Dr. Amanda | **Hodes** | Dr. Peter | **Mitchell** | Dr. Nadine | **Smith** | Dr. Marianne |
| **Bucur** | Dr. Mirela | **Hook** | Dr. Ken | **Mnyusiwalla** | Dr. Anisa | **Smith** | Dr. Pamela |
| **Bukala** | Dr. Bernard | **House** | Dr. Andrew | **Montiveros** | Dr. Carolina | **Smith** | Dr. Sharyn |
| **Butt** | Dr. Wesley | **Hughes** | Dr. Brian | **Moon** | Dr. Emily | **Snider** | Dr. Stacey |
| **Caines** | Dr. Angela | **Hussey** | Dr. Andrew | **Moore** | Dr. Laurel | **Soulliere** | Cynthia |
| **Cameron-Vendrig** | Dr. Julia | **Irvine** | Dr. Curtis | **Morrison** | Siobhan | **Spacek** | Dr. Kim |
| **Carlson** | Dr. Malcolm | **Iyer** | Dr. Sneha | **Mota** | Dr. Jorge | **Spacek** | Dr. Zdenek Stan |
| **Carrier** | Dr. (Heather) Noelle | **Johnson** | Dr. Taylor | **Mott** | Dr. Dan | **Sparrow** | Dr. Keith |
| **Carstensen** | Dr. H. Michael | **Johnson** | Kari | **Murphy** | Dr. David | **Spiers** | Dr. John |
| **Chahal** | Dr. Ramandeep | **Johnston** | Dr. Bill | **Muscedere** | Dr. Giulio | **Squires** | Dr. Philip |
| **Chen** | Dr. Kuan-Chin (Jean) | **Joiner** | Dr. Ross | **Mwamwenda** | Dr. Escort | **Steele** | Dr. Liora |
| **Chisholm** | Samantha | **Kalos** | Dr. Tibor | **Nafziger** | Jill | **Stein** | Dr. Robert |
| **Chopra** | Dr. Anurag | **Kara** | Dr. Ali | **Nagar** | Dr. Rohit | **Stewart** | Dr. Gregory |
| **Chueng** | Dr. Kristelle | **Karaul** | Dr. Ameet | **Narayan** | Dr. Shanil | **Sumar** | Dr. Irram |
| **Cleto** | Dr. Luis | **Kassam** | Dr. Zahra | **Nascu** | Dr. Patricia | **Sun** | Dr. Dongmei |

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Clifford** | Dr. John | **Keelan** | Caitlin | **Neilsen** | Dr. Philip | **Sylvester** | Dr. Heather |
| **Clin** | Madeleine | **Kelly** | Dr. Emily | **Nguyen** | Dr. Hankie | **Tamblyn** | Dr. David |
| **Colgate** | Mhairi | **Kenyon** | Dr. Greg | **Nguyen** | Dr. Scott | **Tamblyn** | Dr. Susan |
| **Conlon** | Dr. Patrick | **Kim** | Dr. Harold | **Nichols** | Dr. Bruce | **Taves** | Dr. Donald |
| **Cowing** | Dr. Barbara | **Kipp** | Catherine | **Nicholson** | Dr. Janis | **Teeple** | Dr. Laurie |
| **Curtis** | Dr. Michael | **Klassen** | Dr. Miriam | **Nickels** | Alexandria | **Thomas** | Dr. Eric |
| **Danby** | Dr. Michelle | **Kluz** | Dr. Agnieszka | **Noël** | Dr. Daniel | **Thompson** | Dr. David |
| **Datema** | Dr. Jason | **Kluz** | Dr. Andrzej | **Noël** | Dr. Daniel | **Thompson** | Dr. Doug |
| **Davis** | Dr. Robert | **Kobayashi** | Evelyn | **O'Brien** | Dr. Christopher | **Thornton** | Dr. Tanya |
| **Deck** | Dr. Gregory | **Komorowski** | Dr. Laurie | **Ohorodnyk** | Dr. Paulo | **Tinits** | Dr. Peter |
| **Degen** | Dr. Ryan | **Kornecki** | Dr. Anat | **O'Neill** | Dr. Craig | **Tomlinson** | Dr. Bruce |
| **DeGouveia** | Dr. Paulo | **Krishna** | Dr. Lalit | **Ooi** | Dr. Daniel | **Tomlinson** | Dr. Donna |
| **DeGouveia** | Dr. Paulo | **Kurtz** | Dr. Veronika | **Osmun** | Dr. W. Edward | **Trevail** | Dr. Michael |
| **DeLyzer** | Dr. Tanya | **Kustec** | Dr. Vanessa | **Papastergiou** | Dr. Thanos | **Tsafnat** | Dr. Tamar |
| **Dhillon** | Dr. Yadwinder | **Labib** | Dr. Mahmoud | **Parratt** | Dr. David | **Turner** | Dr. Dawn |
| **DiLabio** | Dr. Tony | **Lam** | Dr. Janice | **Patel** | Dr. Nirav | **Ubaidat** | Dr. Manaf |
| **Diotallevi** | Dr. Mark | **Lamson** | Mianh | **Peel** | Dr. Alexandrea | **Ucar** | Dr. Colin |
| **Donaldson** | Dr. Sarah | **Langford** | Dr. Grace | **Peel** | Ellen | **Urbain** | Dr. Jean-Luc Claude |
| **Drake** | Dr. David | **Lappano** | Dr. Sergio | **Peirce** | Dr. Michael | **Vaishhav** | Dr. Vandana |
| **Drake** | Dr. Thomas | **Lawrence** | Julie Ann | **Pellizzari** | Dr. Michael | **Van Boekel** | Dr. Trish |
| **Dzaja** | Dr. Ivan | **Leddy** | Sue | **Percival** | Dr. Heather | **Verberne** | Cate |
| **Edwards** | Dr. Shawn | **Lee** | Dr. Ashley | **Peters** | Dr. Leanne | **Vethanayagam** | Dr. Adrian |
| **Eickmeier** | Dr. Dan | **Lee** | Dr. Donald | **Pittman** | Dr. Tina | **Visscher** | Dr. Kari |
| **Ennett** | Dr. Joseph | **Lefebvre** | Dr. Kevin | **Poss** | Dr. Christopher | **Vora** | Dr. Parag |
| **Eshaghian** | Dr. Farhang | **Leung** | Dr. Andrew | **Poss** | Dr. Christopher | **Waanders** | Agnes |
| **Espinet** | Natalie | **Levencrown** | Amanda | **Pototschnik** | Dr. Ralph | **Walker** | Dr. J. Roberts |
| **Fitzsimons** | Dr. John | **Li** | Dr. Jennifer | **Powell** | Dr. Mark | **Walker** | Dr. Jonathan Tristan |
| **Flynn** | Dr. Candi | **Li** | Dr. Yu | **Prout** | Dr. Andrew | **Whitmore** | Dr. Nancy |
| **Foster** | Dr. Tamara | **Liu** | Dr. Cindy | **Purushotham** | Dr. Hemavathy | **Wilson** | Dr. Tania |
| **Fuss** | Dr. Jeffrey | **Lobo** | Dr. Charlotte | **Radigan** | Dr. Jordan | **Wilson** | Justine |
| **Gatfield** | Dr. Chuck | **Lohmann** | Dr. Reinhard | **Reaume** | Dr. Samantha | **Wood** | Dr. Jacqueline |
| **Gavsie** | Dr. Adam | **Lussier** | Dr. Paul | **Reddington** | Dr. Mark | **Xiao** | Dr. Chaowen |
| **Gill** | Dr. Paul | **Lynes** | Beth | **Riesberry** | Dr. Martha | **Yu** | Dr. Jeffrey |
| **Gilmour** | Dr. Kim | **MacIsaac** | Dr. Michael | **Roberts** | Dr. Jane | | |
| **Glass** | Dr. Erin | **Maciver** | Dr. Allison | **Rochon** | Dr. Matthew | | |
| **Gobburu** | Dr. Ram | **Maciver** | Dr. Angus | **Rooyakkers** | Dr. Dan | | |
| **Goela** | Dr. Aashish | **MacLean** | Dr. Colin | **Ross** | Dr. Brad | | |
| | | **MacNaughton** | Dr. Janis | **Roth** | Emily | | |