

Meeting:	Annual Meeting – Huron Health System, Corporations of SHH & AMGH		
Date:	June 26, 2025	Time:	7:00pm-8:00pm
Location:	Cowbell Brewery, 40035 Blyth Road, Blyth ON N0M 1E0 MS Teams		
Chair:	Glen McNeil	Recorder:	Alana Ross
Members:	David, Atkinson, Nonie Brennan, Brian Heagle, Heather Hern, Lynn Higgs, Steven Ireland, Christie MacGregor, Glen McNeil, Dr. Natuik, Tara Oke, Dr. Patel, Jared Petteplace, Susan Reis, Dr. Ryan, Jane Sager, Dr. Steinmann, Jimmy Trieu		
Guests:	AMGH Foundation Rep, Paul Seebach (Seebach & Company-Auditors), Rob Tait (SHH Foundation), Robert Lovecky (VP, Corporate Services / CFO), SHH Auxiliary Rep		
	Agenda Item	Presenter	Attachments
1	Call to Order / Welcome <ul style="list-style-type: none">Notifications:<ul style="list-style-type: none">Video/Audio recordings and transcriptions of the open session meeting are retained for the purpose of creating accurate minutes and will be expunged on final approval of the minutes by the Board		
1.1	Welcome	McNeil	
1.2	Confirmation of Notice to Members & Quorum	Trieu	
1.3	Land Acknowledgement	McNeil	
2	Previous Annual Meeting Minutes		
2.1	Previous Minutes <ul style="list-style-type: none">Approval of the HHS Annual Meeting Minutes of June 27, 2024	McNeil	<ul style="list-style-type: none">2024-06-27-Members of the HHS Corporation Annual Meeting Minutes
	<i>**Draft Motion: To approve the HHS Annual Meeting Minutes of June 27, 2024, as circulated.</i>		
2.2	Business from Previous Minutes	McNeil	
3	Reports		
3.1	Report of the Chair of the Board	McNeil	<ul style="list-style-type: none">HHS SHH & AMGH Annual Report
3.2	Report of President/CEO <ul style="list-style-type: none">Presentation of the Community Report	Trieu	
3.3	Report of SHH Chief of Staff	Ryan	
3.4	Report of AMGH Chief of Staff	Natuik	
3.5	Report of SHH President of Medical Staff	Patel	
3.6	Report of AMGH President of Medical Staff	Steinmann	
3.7	Report of CNE	Higgs	
3.8	Report of SHH Hospital Auxiliary	TBD	
3.9	Report of SHH Hospital Foundation	Tait	
3.10	Report of AMGH Hospital Foundation	Chair	
3.11	Acceptance of Reports	McNeil	
	<i>**Draft Motion: To accept the Reports to the Members of the SHH and AMGH Corporations Annual Meeting of June 26, 2025, as presented.</i>		
4	Auditor’s Financial Report		
4.1	Review and Acceptance of the Auditor’s Report-Seebach & Company	Seebach	<ul style="list-style-type: none">2025-03-31-SHH Audited Financial Statements

			<ul style="list-style-type: none"> 2025-03-31-AMGH Audited Financial Statements
4.2	Report of the Board on Audited Financial Statements	Ireland	
	<i>**Draft Motion: To accept the Auditor's Report and Audited Financial Statements to March 31st, 2025 for SHH & AMGH, as recommended by the HHS Common Board on June 12, 2025, and to recommend signing of the final documents by two Board representatives.</i>		
4.3	Appointment of Seebach & Company as Auditor for F2526	Ireland	
	<i>**Draft Motion: To approve the appointment of Seebach & Company as Auditor for SHH & AMGH for 2025/2026.</i>		
5	New Business		
5.1	<u>Governance & Nominating Committee:</u> <ul style="list-style-type: none"> Nomination & Election of Directors 	McNeil	<i>**declaration of conflict of interest required regarding election of director terms</i>
a)	<u>Election / Re-Election of Directors:</u> <ul style="list-style-type: none"> Jane Sager (2nd term) <u>Affirmation of election of Directors:</u> <ul style="list-style-type: none"> David Atkinson (1st term) Nonie Brennan (1st term) Jared Petteplace (1st term) 	McNeil	
	<i>*Draft Motion: To elect Jane Sager for her 2nd three-year Term on the HHS Common Board of Directors.</i> <i>*Draft Motion: To affirm the election of David Atkinson, Nonie Brennan and Jared Petteplace to the HHS Common Board of Directors in October 2024, to their 1st 3 year term.</i>		
b)	<u>Recognition of HHS Past Chair:</u> <ul style="list-style-type: none"> Glen McNeil 	Trieu	
6	Adjournment		
6.1	<u>Motion to adjourn the meeting</u> <ul style="list-style-type: none"> The HHS Common Board of Directors will hold the first meeting of the year immediately following the Annual Meeting 	McNeil	
	<i>**Draft Motion: To adjourn the Annual Meeting of the Corporations of SHH & AMGH of June 26, 2025 at XX:XXpm.</i>		

MINUTES

Committee:	Annual Meeting – Huron Health System, Corporations of SHH & AMGH		
Date:	June 27, 2024	Time:	7:00pm-8:38pm
Chair:	Glen McNeil, Board Chair	Recorder:	Alana Ross
Present:	Allan Ball, Dr. Daters, Brian Heagle, Heather Hern, Lynn Higgs, Steve Ireland, Aileen Knip, Christie MacGregor, Glen McNeil, Dr. Natuik, Pat O'Rourke, Susan Reis, Jane Sager, Bruce Shaw, Jimmy Trieu		
Regrets:	Shane Dejong, Tara Oke, Dr. Patel, Dr. Ryan, Laura Stire, Matt Trovato		
Guests:	<u>Speakers:</u> Susan deRyk (OHW), Sundeep Sodhi (OHA), Kirk LeMessurier (OHA), Justin Pearson (AMGH Foundation), Paul Seebach, Rob Tait (SHH Foundation) <u>Staff, volunteers and community members:</u> Mary Beth Alexander, Emma Bartz, Sachin Deshpande, Gwen Devereaux, David Greer, Angela Leggatt, Hilary Marshall, Sherry Marshall, Melissa Murchison, Michael Ondrejicka, Christina Parker, Kimberley Payne and Wayne Smith, Liz Petrie, Dr. Steinmann, Toni Thompson, Meribeth Vlemmix		
1	Call to Order / Welcome		
1.1	<ul style="list-style-type: none"> Mr. McNeil welcomed everyone and called the meeting to order at 7:00pm <ul style="list-style-type: none"> Thank you to all the volunteers, staff, physicians and community members attending and representing our catchment areas and for your commitment to those who look to us for guidance and leadership in our respective communities Thank you to all of our guest speakers for taking the time to join us Appreciation extended to Brian Heagle and FDH Lawyers for the tonight's refreshments 		
1.2	<u>Confirmation of Notice to Members and Quorum:</u> <ul style="list-style-type: none"> The HHS Common Board consists of 19 individuals, including thirteen (13) elected members and six (6) non-voting directors, including the Chief Executive Officer, Chiefs of Staff, Presidents of Medical Staff, and the Chief Nursing Executive. <ul style="list-style-type: none"> Eleven (11) voting members were present Mr. Trieu confirmed that the Notice of the AM was delivered to all members via email as prescribed in the By-laws; and Mr. Trieu also confirmed quorum was met as per By-Laws (Quorum=10) <u>Declaration of Conflict of Interest:</u> <ul style="list-style-type: none"> Mr. McNeil asked if anyone had a conflict of interest to declare based on information contained in the package <ul style="list-style-type: none"> A Conflict of Interest was declared by Brian Heagle, Steve Ireland, and Heather Hern in regards to re-elections 		
1.3	<u>Land Acknowledgement:</u> <i>We would like to begin by acknowledging that the land we stand upon today is the traditional territory of the Anishinaabe, Haudenosaunee and Neutral peoples. We recognize the First Peoples' continued stewardship of the land and water, and that this territory was subject to the Dish with One Spoon wampum, under which multiple nations agreed to care for the land and resources by the Great Lakes in peace.</i> <i>We would also like to acknowledge and recognize the Upper Canada Treaties signed in regards to this land, which include Treaty #29 and Treaty #45 1/2, and our roles as treaty people, committed to moving forward in the spirit of reconciliation, gratitude, and respect with all First Nation, Métis and Inuit people.</i> On a personal note, I would like to share that I am committed to learning more about indigenous history and culture, and to increase my own personal knowledge and understanding of Canada's First Peoples. As Warden of Huron County and Chair of WOWC and as a leader in our community, and as a farmer whose livelihood has depended on having a close relationship with the land, I feel that it is not only important, but essential, and my responsibility for me to do the work required for a deeper understanding. It's also important for me, and for all of us, to apply that knowledge in our work and in our community to help further		

	<p>reconciliation.</p> <p>To do my part, I am committed to seeking out credible ideas, from Indigenous sources, to learn more about Indigenous history and culture.</p> <p>I'm also committed to learning more about the challenges and hardships that many Indigenous communities and individuals have incurred and continue to face today, so this never reoccurs.</p> <p style="text-align: right;">~Glen</p>
1.4	<p><u>Greetings from OHA:</u></p> <ul style="list-style-type: none"> • Recorded message from Anthony Dale (President & CEO) recognizing the 100th year anniversary of AMGH <ul style="list-style-type: none"> ○ Congratulations to the OHA, which is also celebrating its 100th year anniversary • Sundeep Sodhi (Chief, Strategy, Member Relations and Long-Term Health Policy), and Kirk LeMessurier (Chief, Strategic Communications) <ul style="list-style-type: none"> ○ 2024-06-27-OHA Presentation-Leadership & Change in Ontario's Health Care System, circulated <ul style="list-style-type: none"> ▪ On behalf of the OHA, thank you to the Board Members for your commitment, contributions, perspectives and expertise in support of our local community hospitals ▪ Reviewed past, present and future healthcare in Ontario ▪ Understanding environment / challenges, and opportunities ▪ Team Ontario approach helped Ontario fare better as a province in keeping its communities safe during the COVID-19 pandemic ▪ Adaptability vs resilience ▪ Ability of institutions and political systems to change or restructure ▪ Building better public services ▪ Difficulty of competing ministries; economic uncertainty and focus on long term needs ▪ History of centralizing and decentralizing healthcare in Canada; Regional Health Authorities in other provinces vs maintaining independent governances in Ontario ▪ Challenging fiscal situation for hospitals across the province and impact of Bill 124 ▪ OHA working closely with government partners; appreciative of funding, but also aware that further investment is needed in the healthcare sector ▪ OHA has commissioned a Working Capital Study; evidence-based and unbiased view of the hospital sector ▪ Hallway medicine and ALC challenges; capacity planning <ul style="list-style-type: none"> – Population growth and demographic changes over the next two decades; impact of longer living with major illnesses and cost of care; availability and projected need of acute care beds in Canada ▪ Civil society; connection with communities ▪ Role of governance boards in leading change in healthcare; Proximity Institute focuses on executive level leadership within organizations
1.5	<p><u>Greetings from OHW:</u></p> <ul style="list-style-type: none"> • Susan DeRyk (Chief Regional Officer, OHW) <ul style="list-style-type: none"> ○ 2024-06-27-OH Slide Deck-DeRyk ○ Appreciation extended to HHS Team as a partner in local healthcare organizations and within the western region and province of Ontario ○ Review of 2019 plans to better coordinate and connect Ontario's healthcare system and impact of pandemic <ul style="list-style-type: none"> ▪ Alignment of priorities with Government of Ontario, i.e., Provincial Health Plan; direction received through mandate letters from Ministry of Health and Ministry of Long Term Care; pillars: <ul style="list-style-type: none"> – 1 Right care, right place; focus on beds in hospitals and long term care <ul style="list-style-type: none"> – 17K ALC patients over the last year – 83 new ALC initiatives launched in the west region serving more than 19K individuals – 2 Faster access to care; government is looking at expanding the scope of pharmacists to include prescribing and investing in community mental health and addictions

	<ul style="list-style-type: none"> – 3 education and training more healthcare workers; ensuring pool of healthcare professionals to support hospitals, et al., seeing progress in this area ▪ Hospital governors extending their support to OHTs ▪ Home care transformations and introduction of Ontario Health 811 <ul style="list-style-type: none"> – Phone and virtual options for healthcare services outside of the hospital ▪ Reduction of surgical wait lists; huge impact related to COVID-19 pandemic <ul style="list-style-type: none"> – West region successful in moving 3K long waits and continue reducing numbers; AMGH had a 42% reduction – Active participation of HHS leadership in regional and sub regional access and flow recovery advisory groups; support of access to quality care and senior friendly care principles; supports HealthEquity of older adults – HHS integral in launching community support through expansion of respite and social recreation programs, expansion of the 'Let's Go Home' program (surgical patients home with community support) and the dementia resource team – HHS successfully sustained operations of EDs over the last year ○ Focus of F2425 <ul style="list-style-type: none"> ▪ Announced \$90M investment in primary care in Feb, which will create 78 new and expanded inter-professional care teams ▪ Shared Draft Ontario Health Business Plan (confidential) ▪ Priorities include access and expansion of primary care, access to emergency and emergency department care, surgical care and challenges related to ACL care in the hospital system ▪ Working with primary, long term, community, mental health and addictions care and hospitals throughout the province <ul style="list-style-type: none"> – Achieving wait times, sustainable operations and ED performance – Strategies include ongoing ED nursing and physician education, recruitment, ED peer-to-peer program, and surgical wait times ▪ Collaboration of system partners ▪ Integrated care; transitioning patients after an inpatient stay <ul style="list-style-type: none"> – Home care will become a subsidiary of Ontario Health as of Jun 28; result is more cohesion as another partner in the health system – OHTs received three years of standardized and stabilized funding to support clinical and patient facing priorities • Appreciation extended to Jimmy Trieu and the Huron Health System for continued partnership in providing care in our communities • Recognition of HHS AMGH & SHH Staff in keeping our EDs open
2	Previous Annual Meeting Minutes
2.1	<u>Previous AM Minutes:</u> <ul style="list-style-type: none"> • Approval of the AMGH Corporation Annual Meeting Minutes of June 29, 2023, circulated • Approval of the SHHA Corporation Annual Meeting Minutes of June 29, 2023, circulated <p><u>MOVED AND DULY SECONDED</u></p> <p><u>MOTION: To approve the AMGH & SHHA Annual Meeting Minutes of June 29, 2023, as circulated. CARRIED.</u></p>
2.2	<u>Business from Previous Minutes:</u> <ul style="list-style-type: none"> • No discussion
2.3	<u>Presentation of Amended and Restated By-Laws #2024-1</u> <ul style="list-style-type: none"> • The Amended and Revised By-Laws may be reviewed upon request at the Administrative offices or available on the AMGH & SHH web sites <p><u>AMGH & SHH Articles of Amendment</u></p> <ul style="list-style-type: none"> • Fixing the minimum/maximum number of Common Board Directors • Documents circulated: <ul style="list-style-type: none"> ○ AMGH Members Special Resolutions ○ AMGH Articles of Amendment ○ AMGH By-Law 2024-1-Draft

	<ul style="list-style-type: none"> ○ SHH Members Special Resolutions ○ SHH Articles of Amendment ○ SHH By-Law 2024-1-Draft ○ SHH Professional 2024.1 By-Law-Draft <p><u>MOVED AND DULY SECONDED</u> <u>MOTION: BE IT RESOLVED THAT: THE MEMBERS OF THE ALEXANDRA MARINE AND GENERAL HOSPITAL CORPORATION APPROVE BY SPECIAL RESOLUTION THE ARTICLES OF AMENDMENT, BY-LAW 2024-1 AND FIX THE BOARD SIZE AT FIFTEEN (15) AS ATTACHED AND PRESENTED. CARRIED.</u></p> <p><u>MOVED AND DULY SECONDED</u> <u>MOTION: BE IT RESOLVED THAT: THE MEMBERS OF THE SOUTH HURON HOSPITAL CORPORATION APPROVE BY SPECIAL RESOLUTION THE ARTICLES OF AMENDMENT, CORPORATE BY-LAW 2024-1, PROFESSIONAL BY-LAW 2024-1 AND FIX THE BOARD SIZE AT FIFTEEN (15) AS ATTACHED AND PRESENTED. CARRIED.</u></p> <p>The changes are technical in nature and summarized as follows:</p> <ol style="list-style-type: none"> 1. Corporation Name Change from South Huron Hospital Association (SHHA) to South Huron Hospital (SHH) 2. Naming of Governance Committees: <ol style="list-style-type: none"> a. Executive and Resources Committee changed to Resources Committee b. Audit and Finance Committee changed to Audit Committee 3. Minimum / Maximum Board of Directors Range implemented to enable the Board, by Special Resolution, to “fix” the number from time to time without having to amend the By-Laws. <ol style="list-style-type: none"> a. The range is: <ol style="list-style-type: none"> i. fifteen (15) to eighteen (18) Directors (total of ex-officio and elected Directors) ii. nine (9) to twelve (12) Elected Directors b. The range is “fixed” at fifteen (15) 4. Administrative changes to reduce duplication in the SHH Corporate By-Laws and SHH Professional By-Laws were made.
3	Reports
3.1	<p><u>Report from the Chair of the HHS Common Board:</u></p> <ul style="list-style-type: none"> • Recognition of receipt of Accreditation Canada Exemplary Status for AMGH & SHH <ul style="list-style-type: none"> ○ Thank you to Senior Leadership, Staff and Physicians for their unwavering commitment to excellence, hard work, and dedication to patient care for our catchment areas ○ As we continue to progress, we will be required to focus on strengthening our workforce, enhancing our services, and fostering a culture of excellence; together, we will navigate the challenges ahead and continue to make a positive difference in our respective communities ○ Recognition of the 100th year anniversary celebration of AMGH ○ Recognition of the Schedule 1 Mental Health facility serving Huron County ○ Thank you to CEO Jimmy Trieu, our physicians, nurses, staff, Board of Directors and all volunteers that work together, and to the communities that we represent as they empower us to make decisions on their behalves, for these hospitals ○ Recognition of the Community Engagement Council (nee Committee) for fostering strong hospital partnerships as it builds trust, enhances patient care and improves public health outcomes <ul style="list-style-type: none"> ▪ By actively involving the community, our hospitals can better understand and address local health needs assuring the services are culturally relevant and possible; and, strengthening these partnerships leads to more effective health interventions, increased patient satisfaction and greater community support ▪ Engaged communities are more likely to participate in preventative health measures, which leads to healthier populations and reduces overall healthcare costs; robust community engagement empowers hospitals to deliver higher quality care and creates healthier, more resilient communities

	<ul style="list-style-type: none"> ○ In consultation with our physicians and stakeholders, HHS will be engaging in a Summit; date to be determined
3.2	<p><u>Report from President/CEO:</u></p> <ul style="list-style-type: none"> • HHS SHH & AMGH Annual Report, circulated <p><i>I am truly honored to stand before you at our Annual Meeting today. This gathering is a testament to the hard work and dedication each of you has shown over the past year, and it is a privilege to acknowledge your contributions.</i></p> <p><i>First, I want to express my deepest gratitude to our remarkable Staff. Each of you has played a pivotal role in delivering exceptional healthcare services. Your commitment, compassion, and tireless efforts have not only improved the lives of our patients, but have also strengthened our organization. Whether you are a nurse providing bedside care, a technician ensuring our equipment functions flawlessly, or a member of the administrative team keeping our operations running smoothly, your work is invaluable. Thank you for your dedication and unwavering support.</i></p> <p><i>To our Physicians, your expertise and dedication to excellence in medical care are the cornerstones of our success. Your relentless pursuit of quality patient care and your leadership in medical practices have profoundly impacted the lives of our patients. You continually push the boundaries of what is possible in patient care, and for that, I am deeply grateful. Your work inspires all of us to strive for greatness.</i></p> <p><i>To our Foundations, I want to extend my deepest gratitude. Your generosity is the lifeblood of our hospitals. Your contributions have not only enabled us to provide top-quality care but also to continually improve and expand our services. Your fundraising power means more than financial support; it represents hope, healing, and the promise of a healthier future for our community. Each dollar you raise helps save lives, bring comfort, and ensure that everyone in our community has access to the care they need.</i></p> <p><i>And to my Board members, your strategic vision and governance are essential to our progress. Your guidance helps navigate the complexities of the healthcare landscape, ensuring we remain focused on our mission and responsive to the needs of our community. Your commitment to our organization's future is deeply appreciated.</i></p> <p><i>This year has presented numerous challenges. We have navigated through the ongoing impacts of the global pandemic, which has tested our resilience and adaptability. Staffing shortages and increased demand for services have stretched our resources thin. Yet, despite these hurdles, we have not wavered in our commitment to providing quality care. We have continued to be resilient, finding new ways to deliver services and support our patients and their families.</i></p> <p><i>We have also faced financial pressures, regulatory changes, and the ever-present need to stay ahead in medical technology. These challenges are significant, but they also provide us with opportunities to grow stronger and more efficient.</i></p> <p><i>Looking ahead, we face both challenges and exciting opportunities. The healthcare landscape is rapidly evolving, and we must stay agile and responsive. We must address the ongoing regulatory environment, adapt to advancements in medical technology, and continue to meet the growing needs of our community. We need to focus on recruiting and retaining top talent, ensuring our teams are supported and motivated.</i></p> <p><i>Within these challenges lie opportunities for growth and improvement. By investing in our people, embracing digital transformation, and fostering a culture of continuous learning and collaboration, we can enhance our services and expand our reach. Telemedicine and other digital health initiatives are transforming how we deliver care, making it more accessible and efficient.</i></p> <p><i>I would like to recognize our external partners, Susan deRyk (OHW), Anthony Dale, Sundeep Sodhi and Kirk LeMessurier (OHA), and our municipal representatives Mayor Trevor Bazinet and Mayor George Finch, as significant supporters of our healthcare system.</i></p>

	<p><i>We also have the opportunity to deepen our community partnerships, working closely with local organizations to address social determinants of health and ensure that our services are inclusive and equitable for all. Sustainability and environmental responsibility are also areas where we can lead by example, implementing green practices that benefit both our organization and the wider community.</i></p> <p><i>Together, we have the power to shape the future of healthcare. Our collective expertise, dedication, and passion are our greatest assets. As we move forward, let us remain united in our mission, committed to our values, and inspired by the difference we make every day.</i></p> <p><i>Thank you once again for your hard work, your dedication, and your unwavering commitment to our patients and community. I am confident that, together, we will continue to achieve great things and overcome any challenges that come our way.</i></p> <p style="text-align: right;"><i>~Jimmy</i></p>
3.3	<p><u>Report from SHH Chief of Staff:</u></p> <ul style="list-style-type: none"> Chief of Staff report submitted jointly by Dr. Ryan and Dr. Natuik (see annual report)
3.4	<p><u>Report from AMGH Chief of Staff:</u></p> <ul style="list-style-type: none"> Dr. Natuik recognized the many challenges and successes throughout the year, noting that the biggest challenge, currently, is physician recruitment for both sites Encouraged and looking forward to working with the Board to continue offering needed services to our communities Appreciation extended to Staff and Physicians
3.5	<p><u>Report from SHH President of Medical Staff:</u></p> <ul style="list-style-type: none"> No report
3.6	<p><u>Report from AMGH President of Medical Staff:</u></p> <ul style="list-style-type: none"> Congratulations to Dr. Aaron Daters for his two years of service as the President of Medical Staff at AMGH; Dr. Tamra Steinmann has accepted the President of Medical Staff position and will begin on Jul 1 Appreciation extended to the Board for listening to the comments and concerns of the Medical Staff
3.7	<p><u>Report from Chief Nursing Executive:</u></p> <ul style="list-style-type: none"> See annual report Ms. Higgs extended a sincere thank you to all Staff, Board, Physicians, Foundations and Communities for their collaboration in our accomplishments throughout year
3.8	<p><u>Report from SHH Auxiliary:</u></p> <ul style="list-style-type: none"> See annual report
3.9	<p><u>Report from AMGH Auxiliary:</u></p> <ul style="list-style-type: none"> No report
3.10	<p><u>Report from SHH Foundation:</u></p> <ul style="list-style-type: none"> See annual report HHS Board Chair recognized the Foundations as the lifeblood of the hospitals in raising money for capital improvements and equipment to attract physicians SHH Foundation Chair, Rob Tait, thanked the members of the Huron Health System for the work accomplished over the last year in forming the Common Board; and all of the volunteer Board members for their investment in shaping the future of our hospitals <ul style="list-style-type: none"> Looking forward to working with HHS as partners and allies as we begin a significant undertaking in developing and building a new South Huron Medical Centre 15th Annual Gala held on June 7 raised \$585K Introduced Christina Parker, Vice Chair
3.11	<p><u>Report from AMGH Foundation:</u></p> <ul style="list-style-type: none"> See annual report AMGH Foundation Chair, Justin Pearson, recognized achievements reached over the year including the Annual Long Table Dinner, Radiothon, Split the Pot Lottery, Smile Cookies; collectively raising \$1.3M for hospital equipment Appreciation extended for the unwavering support of our donors and foundation members, and the hard work and commitment of our staff

3.12	<p>Motion to Accept Report of June 27, 2024:</p> <p><u>MOVED AND DULY SECONDED</u></p> <p><u>MOTION: To accept the Reports to the Members of the SHH and AMGH Corporations Annual Meeting of June 27, 2024, as presented. CARRIED.</u></p>
4	Auditor's Financial Report
4.1	<p><u>Review of Auditor's Report:</u></p> <ul style="list-style-type: none"> Documents circulated: <ul style="list-style-type: none"> 2024-03-31-SHH Audited Financial Statements 2024-Management Letter (SHH) 2024-03-31-AMGH Audited Financial Statements 2024-Management Letter (AMGH) Mr. Seebach provided a short overview of the Auditor's Reports and Management Letters, and the Audited Financial Statements (circulated) to March 31st, 2024 for AMGH & SHH <ul style="list-style-type: none"> Annual audit processes included meetings with staff and Audit & Finance Committee <ul style="list-style-type: none"> Extended appreciation to Jimmy, Shane, Lindsey and Carisa for their cooperation and great working relationship with Seebach & Company Discussed surplus/deficit positions, impact of Bill 124, investments, base and one-time funding and timing of funding received
4.2	<p><u>Report of the Board on Audited Financial Statements:</u></p> <ul style="list-style-type: none"> Based on the recommendation of the Audit & Finance Committee held on May 22, 2024, a motion was made that the Board approve the Final Auditor's Reports and Audited Financial Statements <p><u>MOVED AND DULY SECONDED</u></p> <p><u>MOTION: To accept the Auditor's Reports and Audited Financial Statements to March 31st, 2024 for SHH & AMGH, as recommended by the HHS Common Board on June 27, 2024, and to recommend signing of the final documents by two Board representatives. CARRIED.</u></p>
4.3	<p><u>Motion to Approve Appointment of Seebach & Company as Auditor for 2024/2025:</u></p> <ul style="list-style-type: none"> Approval <p><u>MOVED AND DULY SECONDED</u></p> <p><u>MOTION: To approve the appointment of Seebach & Company as Auditor for SHH & AMGH for 2024/2025.</u></p>
5	New Business
5.1	<p><u>Governance & Nominating Committee:</u></p> <ul style="list-style-type: none"> Nomination and Election of Directors; Mr. McNeil made the following recommendations for approval
a)	<p><u>Election and Re-election of Directors:</u></p> <ul style="list-style-type: none"> According to Section 13 a i D (Board Composition) Directors will be elected for a three-year term: <ul style="list-style-type: none"> Resolutions passed by Governance & Nominating on June 21, 2024 and affirmed by HHS Common Board on June 27, 2024, to elect: <ul style="list-style-type: none"> Mr. Brian Heagle for his 2nd three-year term Ms. Heather Hern for her 2nd three-year term Mr. Steven Ireland for his 2nd three-year term Ms. Tara Oke for her 2nd three-year term <p><u>MOVED AND DULY SECONDED</u></p> <p><u>MOTION: To elect Brian Heagle for his 2nd three-year Term on the HHS Common Board of Directors. CARRIED.</u></p> <p><u>MOVED AND DULY SECONDED</u></p> <p><u>MOTION: To elect Heather Hern for her 2nd three-year Term on the HHS Common Board of Directors. CARRIED.</u></p> <p><u>MOVED AND DULY SECONDED</u></p> <p><u>MOTION: To elect Steve Ireland for his 2nd three-year Term on the HHS Common Board of Directors. CARRIED.</u></p> <p><u>MOVED AND DULY SECONDED</u></p> <p><u>MOTION: To elect Tara Oke for her 2nd three-year Term on the HHS Common Board of Directors. CARRIED.</u></p> <ul style="list-style-type: none"> Appreciation was extended to the directors for their continued commitment and dedication to the Huron Health System
b)	<p><u>Recognition of Retiring Directors:</u></p> <ul style="list-style-type: none"> Allan Ball - guidance, knowledge and expertise

	<ul style="list-style-type: none"> • Aileen Knip - service, leadership and dedication • Bruce Shaw - leadership and development of HHS partnership • Laura Stire - dedication and commitment to health care <p><i>As you prepare to step down from your roles on the board, I would like to extend my deepest gratitude for your years of invaluable service and dedication to Huron Health System. Your commitment and leadership have been instrumental in guiding our hospitals through numerous challenges and achievements, and your contributions have made a lasting impact on our community.</i></p> <p><i>Throughout your tenure, you have demonstrated unwavering support and a profound sense of responsibility towards our mission to provide exceptional healthcare. Your strategic vision, insightful guidance, and compassionate approach have been pivotal in fostering an environment of excellence and innovation at our hospital.</i></p> <p><i>Your tireless efforts in governance, advocacy, and fundraising have not only strengthened our organizations but have also significantly enhanced the quality of care we provide to our patients. Your legacy of service will continue to inspire and guide us as we move forward.</i></p> <p><i>As you embark on this new chapter, please know that your presence will be deeply missed, but the foundation you have helped build will endure. We wish you all the best in your future endeavors and hope that you will continue to stay connected with us.</i></p> <p><i>Thank you once again for your remarkable service and dedication.</i></p> <p style="text-align: right;">~Jimmy</p>
c)	<p><u>Recognition AMGH & SHH Past Chairs:</u></p> <ul style="list-style-type: none"> • Allan Ball • Bruce Shaw • Aileen Knip <p><i>As we gather to celebrate the remarkable contributions each of you has made to our hospital board, I am filled with deep gratitude and admiration for your dedication, expertise, and unwavering commitment to our mission. Your wisdom and guidance have been instrumental in steering our organizations through times of change and growth, ensuring that we continue to provide the highest standard of care to our community.</i></p> <p><i>I would like to extend a special mention to one of our distinguished members, Bruce Shaw. Your visionary leadership and foresight in creating a unified health system have been pivotal in expanding our reach and enhancing the quality of care we provide. Your initiative has not only strengthened our hospitals but has also created a seamless network of services that better serve the needs of our community. The legacy of your vision will continue to benefit countless individuals and families for generations to come.</i></p> <p><i>To all of our retiring chairs, your tenure on the board has left an indelible mark. Your contributions have paved the way for future successes and have inspired us all to strive for excellence. As you step down from your official roles, please know that your impact will always be remembered and cherished.</i></p> <p><i>Thank you for your exceptional service, your wisdom, and your commitment to our hospital and community. I wish you all the best in your future endeavors and hope you take pride in the profound difference you have made.</i></p> <p style="text-align: right;">~Jimmy</p>
d)	<p><u>Recognition of AMGH Auxiliary:</u></p> <p><i>There is one group that deserves special mention. Since its inception a century ago, the AMGH Auxiliary has been an integral part of our hospital's journey, providing unwavering support, compassion, and dedication to improving the lives of patients and their families. Their tireless efforts have touched countless lives and left an indelible mark on our organization.</i></p>

	<p><i>As we think about the countless milestones and achievements of the past century, it is with a heavy heart that we also acknowledge their decision to disband as a group. While this news brings a sense of sadness and nostalgia, it is important to recognize and celebrate the profound impact the Auxiliary has had on our hospital and the wider community throughout the years.</i></p> <p><i>Their commitment to service, generosity, and selflessness have been nothing short of inspiring, and we are eternally grateful for the countless hours of volunteer work, fundraising endeavors, and advocacy initiatives that have helped shape our hospital into what it is today.</i></p> <p><i>Though the end of this chapter may mark the conclusion of formal gatherings and organized events, the legacy of the Auxiliary will live on in the countless lives they have touched and the lasting impact they have made. Their spirit of compassion and dedication will continue to inspire us as we strive to uphold the values and principles they have embodied for the past century.</i></p> <p><i>On behalf of the entire Huron Health System Board and hospital staff, we extend our sincerest thanks and appreciation to each and every member of the Auxiliary for their extraordinary service and dedication. While we bid farewell to the Auxiliary as a formal organization, please know that their contributions will forever be cherished and remembered.</i></p> <p style="text-align: right;"><i>~Jimmy</i></p>
6	Adjournment
6.1	<p><u>Adjournment:</u> Motion to adjourn the meeting:</p> <ul style="list-style-type: none"> • The HHS Common Board of Directors will hold the first meeting of the year immediately following the HHS Annual Meeting <p><u>MOVED AND DULY SECONDED</u> <u>MOTION: To adjourn the Annual Meeting of the Corporations of SHH & AMGH of June 27, 2024 at 8:38pm.</u> <u>CARRIED.</u></p>

**SOUTH HURON HOSPITAL
FINANCIAL STATEMENTS
MARCH 31, 2025**

SEEBACH & COMPANY
Chartered Professional Accountants

SOUTH HURON HOSPITAL
24 Huron Street West
Exeter, ON N0M 1S2
T 519-235-2700 | F 519-235-3405

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

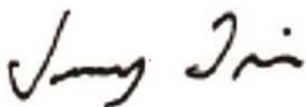
The accompanying financial statements of South Huron Hospital the "Hospital") are the responsibility of the Hospital's management and have been prepared in accordance with Canadian public sector accounting standards, established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada, as described in Note 1 to the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Hospital's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded from loss, transactions are properly authorized and recorded, and reliable information is available on a timely basis for preparation of the financial statements. These statements are monitored and evaluated by the Hospital's management. The Board of Directors meets with management and the external auditor to review the financial statements and discuss and significant financial reporting or internal control matters prior to their approval.

The financial statements have been audited by Seebach & Company, independent external auditors appointed by the Hospital. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Hospital's financial statements.

SOUTH HURON HOSPITAL



Jimmy Trieu
President & Chief Executive Officer



Rob Lovecky, CPA, CMA, MEng
Vice President, Finance CFO

June 5, 2025

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of South Huron Hospital

Opinion

We have audited the accompanying financial statements of the South Huron Hospital ("the Hospital"), which are comprised of the balance sheet as at March 31, 2025 and the operating fund statement of revenue and expenses, statement of remeasurement gains and losses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT (continued)

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

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

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

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
June 5, 2025

SOUTH HURON HOSPITAL**BALANCE SHEET**

See Accompanying Notes to Financial Statements

As at March 31	2025	2024
ASSETS		
Current assets		
Cash	1,882,305	1,384,940
Short term investments (note 3)	4,723	22,263
Accounts receivable (note 2)	1,080,605	933,121
Inventories	128,697	131,756
Prepaid expenses	251,866	200,986
Due from South Huron Hospital Foundation (note 13)	250,544	42,485
	<u>3,598,740</u>	<u>2,715,551</u>
Long term investments (note 3)	<u>1,077,775</u>	<u>3,688,764</u>
Capital assets		
Capital assets, net book value (note 4)	8,287,092	8,660,886
	<u>\$ 12,963,607</u>	<u>\$ 15,065,201</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	2,235,265	3,191,668
Employee future benefits (note 7)	48,200	27,500
Deferred revenue (note 6)	1,006,118	974,383
	<u>3,289,583</u>	<u>4,193,551</u>
Long term liabilities		
Employee future benefits (note 7)	972,700	929,400
Deferred revenue (note 6)	7,148,599	7,551,408
Asset retirement obligation (note 10)	50,458	48,901
	<u>11,461,340</u>	<u>12,723,260</u>
Net assets		
Invested in capital assets	132,375	135,095
Unrestricted	1,366,294	2,337,682
	<u>1,498,669</u>	<u>2,472,777</u>
Accumulated remeasurement gains (losses)	3,598	(130,836)
	<u>1,502,267</u>	<u>2,341,941</u>
	<u>\$ 12,963,607</u>	<u>\$ 15,065,201</u>

On behalf of the board of governors:

.....
Chair, Board of Directors.....
Chair, Audit Committee

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

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2025	2024
Revenue		
Ministry of Health / Ontario Health		
- Base Funding	9,935,880	8,650,579
- One Time Funding	1,295,483	2,167,537
- HOCC Funding	119,048	112,734
- Paymaster Funding	220,341	224,625
- Other Votes	3,300	3,300
Recoveries and miscellaneous	495,734	617,041
Investment income	175,073	256,101
Amortization of deferred grants and donations - equipment	506,280	450,383
OHIP and patient revenue	2,923,194	2,737,452
Differential and copayment revenue	256,952	123,226
	<u>15,931,285</u>	<u>15,342,978</u>
Expenses		
Salaries, wages and purchased services	8,133,060	7,793,645
Medical staff services remuneration	3,024,547	3,025,117
Employee benefits	2,044,339	1,956,866
Supplies and other expenses	2,699,852	2,482,616
Medical and surgical supplies	236,390	221,880
Drugs and medical gases	196,920	164,482
Bad debts	9,556	16,887
Other votes - property taxes	3,300	3,300
Depreciation - equipment	470,476	412,662
	<u>16,818,440</u>	<u>16,077,455</u>
Excess (deficiency) of Revenue over Expenses from Hospital Operations	(\$ 887,155)	(\$ 734,477)
Amortization of deferred grants and donations - building	560,181	464,170
Depreciation - building and building service equipment	<u>(647,134)</u>	<u>(532,606)</u>
Excess (deficiency) of Revenue over Expenses for the year	<u>(\$ 974,108)</u>	<u>(\$ 802,913)</u>

SOUTH HURON HOSPITAL
OPERATING FUND STATEMENT OF CASH FLOWS

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2025	2024
Operating activities		
Excess (deficiency) of revenue over expenses for the year	(974,108)	(802,913)
Items not requiring (not providing) cash		
Depreciation expense	1,116,053	943,712
Amortization of deferred capital grants and donations	(1,066,461)	(914,553)
Accretion of asset retirement obligation	1,557	1,556
Working capital provided from operations	(922,959)	(772,198)
Cash provided from (used for) changes in operational balances		
Accounts receivable	(147,484)	(198,480)
Inventory	3,059	(31,685)
Prepaid expenses	(50,880)	(55,937)
Accounts payable and accrued liabilities	(956,403)	1,504,098
Employee future benefits	64,000	20,800
Deferred revenue	695,387	605,521
Due to/from South Huron Hospital Foundation	(208,059)	(11,244)
Cash provided from (used for) operating activities	(1,523,339)	1,060,875
Capital activities		
Net disposals (purchases) of capital assets	(742,259)	(3,288,332)
	(742,259)	(3,288,332)
Financing and investing activities		
Net investment sales (purchases)	2,745,423	(93,090)
	2,745,423	(93,090)
Increase (decrease) in cash	479,825	(2,320,547)
Cash and short term investments, beginning of year	1,407,203	3,727,750
Cash and short term investments, end of year	\$ 1,887,028	\$ 1,407,203

SOUTH HURON HOSPITAL**STATEMENT OF CHANGES IN NET ASSETS**

See Accompanying Notes to Financial Statements

	For the Year Ended March 31		2025	2024
	Invested in Capital Assets	Unrestricted	Total	Total
Balance, beginning of year	135,095	2,337,682	2,472,777	3,275,690
Excess (deficiency) of revenues over expenses	(49,592)	(924,516)	(974,108)	(802,913)
Net change in investment in capital assets	46,872	(46,872)	-	-
Balance, end of year	<u>132,375</u>	<u>1,366,294</u>	<u>\$ 1,498,669</u>	<u>\$ 2,472,777</u>

SOUTH HURON HOSPITAL

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2025

1. Significant accounting policies

Nature of organization

The South Huron Hospital ("Hospital") is principally involved in providing health care services to the residents of the South Huron and surrounding municipalities. The Hospital is incorporated without share capital under the Corporations Act (Ontario) and is a charitable organization within the meaning of the Income Tax Act (Canada).

Basis of presentation

The financial statements of the Hospital have been prepared in accordance with Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, as issued by the Public Sector Accounting Board ("PSAB for Government NPOs").

Revenue recognition

The Hospital follows the deferral method of accounting for contributions which include donations and government grants.

Under the Health Insurance Act and Regulations thereto, the Hospital is funded primarily by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health. Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Contributed services

The Hospital is dependent on the voluntary services of many individuals. Since these services are not normally purchased by the hospital and because of the difficulty in estimating their fair market value, these services are not recorded in these financial statements.

Inventories

Inventories are valued at the lower of cost and net realizable value.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the hospital's ability to provide services, its carrying amount is written down to its residual value. Amortization is provided on assets placed into use on the straight-line basis over their estimated useful lives as follows:

Land improvements	10 - 20 years
Buildings	50 years
Building service equipment	20 - 25 years
Equipment	3 - 25 years

Vacation pay

Vacation pay is accrued for all employees as entitlements to these payments is earned.

Deferred building and equipment grants

Provincial and municipal building and equipment grants and donations received by the hospital are deferred and amortized on a straight-line basis at a rate corresponding with the depreciation rate for the related building or equipment.

Measurement uncertainty

The preparation of financial statements in accordance with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

SOUTH HURON HOSPITAL
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2025

1. Significant accounting policies (continued)

Investments

The Hospital has classified all stocks, bonds and other investment securities as available-for-sale which are carried at fair value. Bank guaranteed investment certificates are classified as held-to-maturity and are carried at cost. A write down of the carrying amount of held-to-maturity investments is charged against income when evidence indicates a permanent decline in the underlying value and earning power of an investment. Gains and losses on disposal of held-to-maturity investments are determined on a completed transaction basis.

2. Accounts receivable

	2025	2024
Ministry of Health / Ontario Health	913,548	497,654
Insurers and patients	35,842	34,039
Other	31,215	401,428
	<u>\$ 1,080,605</u>	<u>\$ 933,121</u>

3. Investments

The Hospital's investments are recorded at market value, as per the investment statements provided by the holding institution for the period March 31, 2025.

	2025	2024
Short-term		
Cash in investment account	4,723	22,263
Long-term		
Mutual funds	1,077,775	3,688,764
	<u>\$ 1,082,498</u>	<u>\$ 3,711,027</u>

The cost of the investments as of March 31, 2025 was \$1,078,900 (cost March 31, 2024: \$3,841,863).

4. Capital assets

	Cost	Accumulated Amortization	Net Book Value 2025	Net Book Value 2024
Land	249,131	-	249,131	249,131
Land improvements	364,415	263,451	100,964	117,124
Buildings	12,852,815	6,789,798	6,063,017	6,594,474
Major equipment	6,836,052	4,962,072	1,873,980	1,700,157
	<u>\$ 20,302,413</u>	<u>\$ 12,015,321</u>	<u>\$ 8,287,092</u>	<u>\$ 8,660,886</u>

5. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of:

	2025	2024
Trade payables	1,530,498	1,501,526
Salaries and deductions payable	209,569	179,669
Accrued vacation and statutory holiday payable	129,995	133,785
Other liabilities	365,203	1,376,688
	<u>\$ 2,235,265</u>	<u>\$ 3,191,668</u>

SOUTH HURON HOSPITAL
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2025

6. Deferred capital contributions related to capital assets

Deferred capital contributions related to capital assets represent the unamortized amount received for the purchase of capital assets and consists of the following:

	2025	2024
Balance, beginning of year	8,525,791	8,834,823
Additional contributions	695,386	605,521
Less: Amounts amortized to revenue	(1,066,460)	(914,553)
Less: Net value of disposals	-	-
Balance, end of year	<u>\$ 8,154,717</u>	<u>\$ 8,525,791</u>
Short-term	1,006,118	974,383
Long-term	<u>7,148,599</u>	<u>7,551,408</u>
	<u>\$ 8,154,717</u>	<u>\$ 8,525,791</u>

7. Employee future benefits

The South Huron Hospital provides extended health care, dental and semi-private benefits to eligible retired employees. An independent actuarial study of the post-retirement benefits has been undertaken. The most recent valuation of the employee future benefits was prepared as at March 31, 2025.

At March 31, 2025 the Hospital's accrued benefit obligation related to post-retirement benefit plans was \$1,020,900 (2024: \$956,900), as detailed in the table below.

	2025	2024
Balance, beginning of year	956,900	936,100
Benefit cost	91,500	65,800
Contributions by the Hospital	<u>(27,500)</u>	<u>(45,000)</u>
Balance, end of year	1,020,900	956,900
Less: current portion	<u>48,200</u>	<u>27,500</u>
Long-term accrued benefit liability	<u>\$ 972,700</u>	<u>\$ 929,400</u>

8. Invested in capital assets

a) Net assets invested in capital assets are calculated as follows:

	2025	2024
Capital assets, net book value	8,287,092	8,660,886
Amounts financed by:		
Deferred capital contributions	<u>(8,154,717)</u>	<u>(8,525,791)</u>
	<u>\$ 132,375</u>	<u>\$ 135,095</u>

b) Change in net assets invested in capital assets is calculated as follows:

	2025	2024
Excess of expenses over revenues:		
Amortization of deferred capital contributions related to capital assets	1,066,461	914,553
Depreciation of capital assets	<u>(1,116,053)</u>	<u>(943,711)</u>
	<u>\$ (49,592)</u>	<u>\$ (29,158)</u>
Net change in investments in capital assets:		
Purchase of capital assets	742,259	3,288,332
Capital assets funded by deferred capital contributions	<u>(695,387)</u>	<u>(605,521)</u>
	<u>\$ 46,872</u>	<u>\$ 2,682,811</u>

SOUTH HURON HOSPITAL
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2025

9. Other votes

The South Huron Hospital operates programming which is funded separately from general hospital operations. Ontario Health funds the municipal tax program.

	2025	2024
Revenues		
Municipal taxes	<u>\$ 3,300</u>	<u>\$ 3,300</u>
Expenses		
Municipal taxes	<u>\$ 3,300</u>	<u>\$ 3,300</u>

10. Asset retirement obligation (ARO)

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some Hospital owned properties and buildings that will undergo major renovations, upgrades, or demolition in the future. The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined. In subsequent periods, the liability will be adjusted for accretion expenses to reflect the anticipated future costs at retirement.

	2025	2024
Asset retirement obligations, beginning of year	48,901	47,344
Accretion expense during the year	<u>1,557</u>	<u>1,557</u>
Asset retirement obligations, end of year	<u>\$ 50,458</u>	<u>\$ 48,901</u>

11. Pension plan

Full-time and part-time employees of the hospital may be eligible to be members of the Hospitals of Ontario Pension Plan which is a multi-employer final average pay contributory pension plan. Employer contributions made to the plan during the year by the hospital amounted to \$524,343 (2024: \$483,374). These amounts are included in expenses in the operating fund statement of revenue and expenses and fund balance.

12. Financial instruments

The Hospital's financial instruments consist of cash and short-term investments, accounts receivable and accounts payable. It is management's opinion that the Hospital is not exposed to significant interest and credit risks arising from these financial instruments. The fair value of the financial instruments approximates their carrying amount.

13. Economic interest

The Hospital has an economic interest in South Huron Hospital Foundation. The Foundation is an independent corporation incorporated without share capital which has its own independent Board of Directors and is a registered charity under the Income Tax Act. The Foundation was established to raise funds for the use of the Hospital. Donations received during the year were \$551,160 (2024: \$906,651).

SOUTH HURON HOSPITAL
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2025

14. Financial risks and concentration of credit risks

Credit risk

Credit risk refers to the risk that a counterpart may default on its contractual obligations resulting in a financial loss. The Hospital is exposed to credit risk with respect to the accounts receivable.

The Hospital assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Hospital at March 31, 2025 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the operating fund statement of revenue and expenses. Subsequent recoveries of impairment losses related to accounts receivable are credited to the operating fund statement of revenue and expenses. The balance of the allowance for doubtful accounts at March 31, 2025 is \$4,633 (2024: \$3,933).

There have been no significant changes to the credit risk exposure from 2024.

Liquidity risk

Liquidity risk is the risk that the Hospital will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Hospital manages its liquidity risk by monitoring its operating requirements. The Hospital prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There have been no significant changes to the liquidity risk exposure from 2024.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Hospital's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investments.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

There has been no change to the interest rate risk exposure from 2024.

ALEXANDRA MARINE AND GENERAL HOSPITAL
FINANCIAL STATEMENTS
MARCH 31, 2025

SEEBACH & COMPANY
Chartered Professional Accountants



Alexandra Marine and General Hospital
120 Napier Street
Goderich, ON N7A 1W5
T 519-524-8323 | F 519-524-8504

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The accompanying financial statements of Alexandra Marine and General Hospital (the "Hospital") are the responsibility of the Hospital's management and have been prepared in accordance with Canadian public sector accounting standards, established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada, as described in Note 1 to the financial statements.

The preparation of financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Hospital's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded from loss, transactions are properly authorized and recorded, and reliable information is available on a timely basis for preparation of the financial statements. These statements are monitored and evaluated by the Hospital's management. The Board of Directors meets with management and the external auditor to review the financial statements and discuss and significant financial reporting or internal control matters prior to their approval.

The financial statements have been audited by Seebach & Company, independent external auditors appointed by the Hospital. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Hospital's financial statements.

ALEXANDRA MARINE AND GENERAL HOSPITAL

A handwritten signature in black ink, appearing to read "Jimmy Trieu".

Jimmy Trieu
President & Chief Executive Officer

A handwritten signature in black ink, appearing to read "Rob Lovecky".

Rob Lovecky, CPA, CMA, MEng
Vice President, Finance CFO

June 5, 2025

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Alexandra Marine and General Hospital

Opinion

We have audited the accompanying financial statements of Alexandra Marine and General Hospital ("the Hospital"), which are comprised of the balance sheet as at March 31, 2025 and the operating fund statement of revenue and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Hospital as at March 31, 2025, and its financial performance and its cash flows for the year then ended in accordance with Canadian public sector accounting standards (PSAB).

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

INDEPENDENT AUDITOR'S REPORT (continued)

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

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

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

Seebach & Company

Chartered Professional Accountants
Licensed Public Accountants

Clinton, Ontario
June 5, 2025

ALEXANDRA MARINE AND GENERAL HOSPITAL

BALANCE SHEET

See Accompanying Notes to Financial Statements

As at March 31	2025	2024
ASSETS		
Current assets		
Cash	4,147,948	5,026,566
Accounts receivable	2,074,458	3,930,240
Inventories	441,659	415,828
Prepaid expenses	182,150	226,806
	<u>6,846,215</u>	<u>9,599,440</u>
Capital assets, net book value (note 3)	15,374,679	15,220,071
	<u><u>\$ 22,220,894</u></u>	<u><u>\$ 24,819,511</u></u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities (note 4)	4,248,867	6,104,888
Employee future benefits (note 6)	207,100	200,900
Deferred revenue	59,937	4,363
	<u>4,515,904</u>	<u>6,310,151</u>
Long term liabilities		
Deferred capital contributions (note 5)	8,298,039	8,554,462
Employee future benefits (note 6)	1,585,400	1,508,100
Asset retirement obligation (note 9)	210,901	204,422
	<u>14,610,244</u>	<u>16,577,135</u>
Net assets		
Invested in capital assets	7,076,640	6,665,609
Unrestricted	534,010	1,576,767
	<u>7,610,650</u>	<u>8,242,376</u>
	<u><u>\$ 22,220,894</u></u>	<u><u>\$ 24,819,511</u></u>
On behalf of the board of governors:		

.....
Chair, Board of Directors

.....
Chair, Audit Committee

ALEXANDRA MARINE AND GENERAL HOSPITAL
OPERATING FUND STATEMENT OF REVENUE AND EXPENSES

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2025	2024
Revenue		
Ontario Health base funding	24,351,338	20,382,324
One time funding	1,863,734	5,851,181
LHIN/MOHLTC recoveries	(4,977)	-
Other MOHLTC funding	3,171,374	3,095,581
Paymaster funding	448,418	442,922
Other votes funding (note 8)	1,914,543	1,933,308
Cancer Care Ontario (Ontario Health)	89,164	126,872
Recoveries and miscellaneous	2,925,871	2,603,209
OHIP revenue	2,186,237	2,056,765
Differential and copayment	211,344	195,228
Amortization of deferred capital contributions - equipment	1,130,215	959,335
	<u>38,287,261</u>	<u>37,646,725</u>
Expenses		
Salaries and benefits	22,999,339	21,596,793
Medical staff remuneration	5,829,760	5,271,709
Supplies and other expenses	4,993,299	4,434,479
Medical and surgical supplies	827,636	806,106
Drugs and medical gases	531,152	487,986
Other votes expenses (note 8)	2,007,832	1,989,140
Depreciation - equipment	1,318,729	1,065,608
	<u>38,507,747</u>	<u>35,651,821</u>
Excess (deficiency) of revenue over expenses from Hospital operations	<u>(220,486)</u>	<u>1,994,904</u>
Other items affecting operations		
Amortization of deferred capital contributions - building and building service equipment	387,472	355,450
Depreciation - building and building service equipment	(798,712)	(747,620)
	<u>(411,240)</u>	<u>(392,170)</u>
Excess (deficiency) of revenue over expenses for the year	<u><u>(\$ 631,726)</u></u>	<u><u>\$ 1,602,734</u></u>

ALEXANDRA MARINE AND GENERAL HOSPITAL**STATEMENT OF CHANGES IN NET ASSETS**

See Accompanying Notes to Financial Statements

For the Year Ended March 31			2025	2024
	Invested in Capital Assets	Unrestricted	Total	Total
Balance, beginning of year	6,665,609	1,576,767	8,242,376	6,639,642
Excess (deficiency) of revenues over expenses	(593,275)	(38,451)	(631,726)	1,602,734
Transfer between funds	1,004,306	(1,004,306)	-	-
Balance, end of year	<u>7,076,640</u>	<u>534,010</u>	<u>\$ 7,610,650</u>	<u>\$ 8,242,376</u>

ALEXANDRA MARINE AND GENERAL HOSPITAL
OPERATING FUND STATEMENT OF CASH FLOWS

See Accompanying Notes to Financial Statements

For the Year Ended March 31	2025	2024
Operating activities		
Excess of revenue over expenses for the year	(631,726)	1,602,734
Items not requiring (not providing) cash		
Depreciation expense	2,110,962	1,806,749
Amortization of deferred capital grants and donations	(1,517,687)	(1,314,785)
Accretion of asset retirement obligation	6,479	6,479
Loss (gain) on disposal of capital assets	-	170
Working capital provided from operations	(31,972)	2,101,347
Cash provided from (used for) changes in operational balances		
Accounts receivable	1,855,782	(2,533,807)
Inventory	(25,831)	(23,686)
Prepaid expenses	44,656	(28,749)
Accounts payable and accrued liabilities	(1,856,021)	933,899
Employee future benefits - current	6,200	85,100
Deferred revenue	55,574	363
Cash provided from (used for) operating activities	<u>48,388</u>	<u>534,467</u>
Investing activities		
Acquisition of capital assets	(2,265,570)	(2,633,716)
Proceeds from disposal of capital assets	-	1,528
	<u>(2,265,570)</u>	<u>(2,632,188)</u>
Financing activities		
Deferred building and equipment grants and donations	1,261,264	1,704,034
Employee future benefits - long-term	77,300	(9,800)
	<u>1,338,564</u>	<u>1,694,234</u>
Increase (decrease) in cash	(878,618)	(403,487)
Cash, beginning of year	5,026,566	5,430,053
Cash, end of year	<u>\$ 4,147,948</u>	<u>\$ 5,026,566</u>

ALEXANDRA MARINE AND GENERAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS

For the Year Ended March 31, 2025

Alexandra Marine and General Hospital was incorporated by letters patent under the Ontario Business Corporations Act on June 3, 1901.

The Hospital is principally involved in providing health care services to the residents of the Town of Goderich and surrounding municipalities of Huron County. The Hospital is incorporated without share capital under the Corporations Act (Ontario) and is a charitable organization within the meaning of the Income Tax Act (Canada).

1. Significant accounting policies

The financial statements have been prepared in accordance with the Public Sector Accounting Handbook ("PS") which sets out Canadian generally accepted accounting principles ("GAAP") for government not-for-profit organizations ("GNPOs") in Canada. The Hospital has chosen to use the standards specified for GNPOs set out in PS 4200 to PS 4270. The significant accounting policies are summarized as follows:

a) Revenue recognition

The Hospital follows the deferral method of accounting for contributions that include donations and government grants.

The Hospital is primarily funded by the Province of Ontario in accordance with budget arrangements established by the Ministry of Health and Long-Term Care (MOHLTC) and Ontario Health ("OH").

Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of the accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period. These financial statements reflect arrangements with the Ministry of Health and Long-Term Care with respect to the year ended March 31, 2025.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets including restricted cash are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

Revenue from the insurance plans, preferred accommodations, and marketed services is recognized when the goods are sold or the service is provided, the amounts can be reasonably estimated and collection is reasonably assured.

b) Inventories

Inventories are recorded at the lower of average cost and net realizable value. Cost comprises all costs to purchase, convert and any other costs incurred in bringing the inventories to their present location and condition.

c) Capital assets

Capital assets are recorded at cost. Assets are depreciated over their estimated useful lives using the following rates on a straight-line basis:

Land improvements	10 - 20 years
Buildings	20 - 50 years
Building service equipment	10 - 25 years
Equipment	5 - 10 years
Information technology equipment	3 - 5 years

Construction in progress is not depreciated until construction is complete and the facilities are placed into use.

ALEXANDRA MARINE AND GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2025

1. Significant accounting policies (continued)

d) Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

e) Employee future benefits

The benefit obligation is amortized over the average remaining service period of the active employees. The cost of retirement benefits earned by employees is actuarially determined using the projected unit method pro-rated on service and management's best estimate of retirement ages of employees and expected health and dental care costs.

f) Use of estimates

The preparation of the financial statements in conformity with Canadian Public Sector Accounting Standards requires management to make estimates and assumptions that affect the reporting amounts of assets and liabilities and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant items subject to such estimates and assumptions include the carrying amount of capital assets; valuation of receivables, inventories; and obligations related to employee future benefits and asset retirement obligations. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in operations in the year in which they are known.

g) Financial instruments

The financial instruments are classified into one of five categories: held-for-trading, held-to-maturity, loans and receivables, available-for-sale financial assets or other financial liabilities. All financial instruments are measured in the balance sheet at fair value except for loans and receivables, held-to-maturity investments and other financial liabilities which are measured at amortized cost. Subsequent measurement and changes in fair value will depend on their initial classification, as follows: held-for-trading financial assets are measured at fair value and changes in fair value are recognized in net earnings; available-for-sale financial instruments are measured at fair value with unrealized changes in fair value recorded in the statement of changes in net assets until the investment is derecognized or impaired at which time the amounts would be recorded in the operating fund statement of revenue and expenses.

ALEXANDRA MARINE AND GENERAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2025

1. Significant accounting policies (continued)

g) Financial instruments (continued)

In accordance with the Canadian Public Sector Accounting Standards the Hospital has undertaken the following:

- (i) Designated cash and short-term investments as held-for-trading, being measured at fair value.
- (ii) Accounts receivable are classified as loans and receivables, which are measured at amortized cost.
- (iii) Marketable securities are designated as available-for-sale, which are recorded at fair value.
- (iv) Accounts payable and accrued liabilities and long-term debt are classified as other financial liabilities, which are measured at amortized cost.

No financial statement recognition is given to embedded derivatives or non-financial contracts with derivative characteristics.

The Hospital also complies with PS 3450, "Financial Instruments", for the presentation and disclosure of financial instruments and non-financial derivatives.

The Hospital has elected to account for transactions as at the trade date.

h) Funding adjustments

The Hospital receives grants from the MOHLTC and Ontario Health (OH) for specific services. Pursuant to the related agreements, if the Hospital does not meet specified levels of activity, the MOHLTC or OH is entitled to seek refunds. Should any amounts become refundable, the refunds would be charged to operations in the period in which the refund is determined to be payable. Should programs and activities incur a deficit, the Hospital records any recoveries thereon in the period in which collection is received.

2. Restricted investments

Restricted investments reflect the investment of unused donations received from donors, restricted for future Hospital expenditures, and interest earned on those contributions.

The Hospital currently holds no investments.

3. Capital assets

	Cost	Accumulated Depreciation	Net Book Value 2025	Net Book Value 2024
Land	153,868	-	153,868	153,868
Land improvements	208,494	179,018	29,476	42,751
Buildings	19,091,707	9,823,740	9,267,967	8,600,161
Building service equipment	5,862,297	4,775,865	1,086,432	1,322,390
Equipment	13,385,580	9,024,484	4,361,096	4,419,559
Information technology hardware/software	4,480,955	4,055,115	475,840	681,342
	<u>\$ 43,182,901</u>	<u>\$ 27,808,222</u>	<u>\$ 15,374,679</u>	<u>\$ 15,220,071</u>

ALEXANDRA MARINE AND GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2025

4. Accounts payable and accrued liabilities

Accounts payable and accrued liabilities consist of:

	2025	2024
Trade payables	1,492,954	2,600,378
Salaries and deductions payable	1,445,722	1,372,910
Accrued vacation and statutory holiday payable	852,481	878,391
Other liabilities	457,710	1,253,209
	<u>\$ 4,248,867</u>	<u>\$ 6,104,888</u>

5. Deferred capital contributions related to capital assets

Deferred capital contributions related to capital assets represent the unamortized amount received for the purchase of capital assets and consists of the following:

	2025	2024
Balance, beginning of year	8,554,462	8,167,860
Additional contributions	1,261,264	1,704,034
Less: Amounts amortized to revenue	(1,517,687)	(1,314,785)
Less: Net value of disposals	-	(2,647)
Balance, end of year	<u>\$ 8,298,039</u>	<u>\$ 8,554,462</u>

6. Employee future benefits

The Alexandra Marine and General Hospital provides extended health care, dental and semi-private benefits to eligible retired employees. An independent actuarial study of the post-retirement benefits has been undertaken. The most recent valuation of the employee future benefits was prepared as at March 31, 2025.

At March 31, 2025 the Hospital's accrued benefit obligation related to post-retirement benefit plans was \$1,792,500 (2024: \$1,709,000), as detailed in the table below.

	2025	2024
Balance, beginning of year	1,508,100	1,517,900
Benefit cost	200,900	186,000
Contributions by the Hospital	(117,400)	(110,700)
Balance, end of year	1,792,500	1,709,000
Less: current portion	207,100	200,900
Long-term accrued benefit liability	<u>\$ 1,585,400</u>	<u>\$ 1,508,100</u>

The significant actuarial assumptions adopted in estimating the Hospital's accrued benefit obligations are as follows:

	2025	2024
Discount rate		
Beginning of year	3.95%	4.04%
End of year	3.95%	3.95%
General inflation	CPI rate is used	

ALEXANDRA MARINE AND GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2025

7. Invested in capital assets

a) Net assets invested in capital assets are calculated as follows:

	2025	2024
Capital assets, net book value	15,374,679	15,220,071
Amounts financed by:		
Deferred capital contributions	<u>(8,298,039)</u>	<u>(8,554,462)</u>
	<u>\$ 7,076,640</u>	<u>\$ 6,665,609</u>

b) Change in net assets invested in capital assets is calculated as follows:

	2025	2024
Excess of expenses over revenues:		
Gain on disposal of capital assets	-	(170)
Amortization of deferred capital contributions related to capital assets	1,517,687	1,314,785
Depreciation of capital assets	<u>(2,110,962)</u>	<u>(1,806,749)</u>
	<u>\$ (593,275)</u>	<u>\$ (492,134)</u>
Net change in investments in capital assets:		
Purchase of capital assets	2,265,570	2,633,716
Capital assets funded by deferred capital contributions	(1,261,264)	(1,704,034)
Proceeds on disposal of capital assets	<u>-</u>	<u>(1,528)</u>
	<u>\$ 1,004,306</u>	<u>\$ 928,154</u>

8. Other votes

The Alexandra Marine and General Hospital operates programming which is funded separately from general hospital operations. The OH funds the Community Mental Health Program (CMHP) and the Ministry of Children and Youth Services (MCYS) funds the Preschool Speech and Language Program (PSLP).

	2025	2024
Revenues		
Community Mental Health Program	1,702,716	1,725,604
Preschool Speech and Language Program	<u>211,827</u>	<u>207,704</u>
	<u>\$ 1,914,543</u>	<u>\$ 1,933,308</u>
Expenses		
Community Mental Health Program	1,761,339	1,759,327
Preschool Speech and Language Program	<u>246,493</u>	<u>229,813</u>
	<u>\$ 2,007,832</u>	<u>\$ 1,989,140</u>
Other Votes Net Surplus/(Deficit)	<u>\$ (93,289)</u>	<u>\$ (55,832)</u>

ALEXANDRA MARINE AND GENERAL HOSPITAL

NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2025

9. Asset retirement obligation (ARO)

Legal liabilities exist for the removal and disposal of asbestos and other environmentally hazardous materials within some Hospital owned properties and buildings that will undergo major renovations, upgrades, or demolition in the future. The obligation has been measured at current cost as the timing of future cash flows cannot be reasonably determined.

	2025	2024
Asset retirement obligations, beginning of year	204,422	197,943
Accretion expense during the year	6,479	6,479
Asset retirement obligations, end of year	<u>\$ 210,901</u>	<u>\$ 204,422</u>

10. Pension plan

Employees of the Hospital are eligible to be members of the Hospitals of Ontario Pension Plan (HOOPP) which is a multi-employer final average pay contributory pension plan. Contributions made to the Plan during the year by the Hospital amounted to \$1,563,205 (2024: \$1,536,869) and are included in the operating fund statement of revenue and expenses.

11. Economic interest

The Hospital has an economic interest in Alexandra Marine and General Hospital Foundation. The Foundation is an independent corporation incorporated without share capital which has its own independent Board of Directors and is a registered charity under the Income Tax Act. The Foundation was established to raise funds for the use of the Hospital. Donations received during the year were \$623,815 (2024: \$1,458,394).

12. Financial risks and concentration of credit risks

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 its internal policies.

Credit risk

Credit risk refers to the risk that a counterpart may default on its contractual obligations resulting in a financial loss. The Hospital is exposed to credit risk with respect to the accounts receivable.

The Hospital assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. The maximum exposure to credit risk of the Hospital at March 31, 2025 is the carrying value of these assets.

The carrying amount of accounts receivable is valued with consideration for an allowance for doubtful accounts. The amount of any related impairment loss is recognized in the operating fund statement of revenue and expenses. Subsequent recoveries of impairment losses related to accounts receivable are credited to the operating fund statement of revenue and expenses. The balance of the allowance for doubtful accounts at March 31, 2025 is \$88,055 (2024: \$52,000).

ALEXANDRA MARINE AND GENERAL HOSPITAL
NOTES TO FINANCIAL STATEMENTS (continued)

For the Year Ended March 31, 2025

12. Financial risks and concentration of credit risks (continued)

Liquidity risk

Liquidity risk is the risk that the Hospital will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Hospital manages its liquidity risk by monitoring its operating requirements. The Hospital prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

There has been no significant changes to the liquidity rate risk exposure from 2024.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates or interest rates will affect the Hospital's income or the value of its holdings of financial instruments. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing return on investments.

The Hospital is not exposed to market risk.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows or a financial instrument will fluctuate because of changes in the market interest rates.

At March 31, 2025, the Hospital has no long-term debt, with only the advances under the bank credit facility subject to fluctuations from market rates.

There has been no change to the interest rate risk exposure from 2024.