

ANNUAL REPORT OF BOARD CHAIR AND CEO 2023-2024



**Winchester
District
Memorial
Hospital**

There is an old adage that “Feeling gratitude and not expressing it is like wrapping a present and not giving it”. As we reflect on the past year at Winchester District Memorial Hospital (WDMH), we have many gifts of gratitude to give as we say thank you to everyone who is part of our healthcare family. This annual report provides a snapshot of what we have accomplished together.

To begin, thank you to the WDMH team – more than 900 staff, physicians, midwives, volunteers and students – for the care you provide every day and night to our communities. We call it Compassionate Excellence.

Thank you as well to those communities for your ongoing support. From your positive feedback and acts of kindness to your support of the WDMH Foundation – we are grateful.

Gratitude is also extended to our closest colleagues - the WDMH Auxiliary, the Patient and Family Engagement Committee, Dundas Manor Long-Term Care Home, our partners in the Community Care and Dillabough buildings, as well as the donors and staff at the WDMH Foundation. Together, we care for our local communities.

Here are just some of the other programs and initiatives that we are proud of this year:

- We care for more than 80,000 patients annually and patient satisfaction remains very high, thanks to our committed team. Quality and patient safety remain our #1 priority.
- We continue to monitor the ups and downs of respiratory conditions in our patients and community and remain vigilant in keeping everyone safe, including the WDMH team.
- A focus on reducing wait times is seeing results. We have added additional staff and physicians in the Emergency Department, improved the operating room schedule and changed some of WDMH’s booking processes.
- The Epic electronic health information system is up and running and we are adding additional modules to support the most up-to-date information, all in one place.
- Programs and services are being added or expanded, including three new out-patient programs: Pulmonary Function Testing, Lung Screening and Rheumatology.
- We continue to work with our local health partners to advance the Great River Ontario Health Team.
- Like many hospitals across the province, WDMH has a financial deficit. We are working closely with the Ministry of Health to find solutions and our team has stepped to identify ways to reduce costs.
- Our ‘Green Team’ is leading the way in environmental sustainability. A recent project saw all the lights at WDMH changed to LED, resulting in lower energy, cost-effective and brighter lighting.

- The research program continues to grow. WDMH is a leader in Health Canada-approved clinical trials and the top site nationally in four of them.
- WDMH remains an employer of choice and we are grateful to be almost fully staffed. Earlier this year, we hosted a Job Fair and close to 80 people stopped by to learn more about our hospital.
- A focus on team education has included nursing skill days, crisis prevention and safety training and mental health resources.
- The WDMH continues to show #WDMHProud spirit through Recreation Committee events, our Commitment Awards, and community initiatives such as the Christmas Star program.
- The WDMH Foundation has had another wonderful year, providing almost one million dollars for patient care and raising millions more for the new Dundas Manor.

In closing, thank you to our community volunteers – those who provide input on the Patient and Family Engagement Committee and hospital committees, the WDMH and Foundation Boards who provide vision and leadership, and WDMH Auxiliary members and volunteers who work at the hospital and fundraise for much-needed equipment.

We would love to hear from you as well. Please visit our website and follow us on social media. You can also sign up for CONNECT, our e-newsletter. Thank you for being part of Team WDMH!

Respectfully submitted,



Bruce Millar
Chair
WDMH Board of Directors



Cholly Boland
President & CEO
WDMH



Winchester
District
Memorial
Hospital

ANNUAL REPORT OF THE CHIEF OF STAFF 2023-2024

I continue to feel honoured to serve alongside the professional staff at Winchester District Memorial Hospital (WDMH). Our community is very fortunate to have a hospital with such dedicated and committed staff. The Medical Staff at WDMH consistently reflect the core values of WDMH and work closely with colleagues from all disciplines and skill sets within the hospital. Through 2023, the medical staff has continued to remain stable with respect to coverage and staffing of core services. Our ER maintained 100% availability for care which is becoming exceptional for small hospitals in Canada.

I am appreciative of the ongoing positive, collaborative relationships the medical staff have with all hospital staff and look forward to continued collaboration in 2024-2025.

Quality / Services and Partnerships / Integration

Quality

The Medical Advisory Committee (MAC) continues to hold monthly Morbidity and Mortality Rounds. These sessions provide learning opportunities via case review and teaching. All health professionals working in the hospital are welcome to attend these rounds.

MAC remains vigilant regarding staff credentials and overall quality of care. Continued attention is paid to careful review of unanticipated outcomes as well as staff responsibilities regarding timely and complete documentation. Quality reviews continue to take place as necessary.

Some new initiatives are underway, such as replacement of our CT scanner and investigating the feasibility of offering MRI at WDMH. We continue to search for opportunities to reduce administrative burden and increase the proportion of time spent providing care, including ongoing investigation of AI Scribes and other related smart technology.

EPIC

The adoption of Epic is ongoing with increasing comfort and skill over time. Continued optimization and customization are anticipated in the coming year.

Regional

WDMH continues to be an integral and integrated participant in the provision of coordinated care across Eastern Ontario, with participation in several regional initiatives as well as continued presence and input to the developing Great River Ontario Health Team.

Our People

In 2023-2024, we have welcomed 28 new professional staff to WDMH, spanning multiple departments and skill sets.

The MAC extends its appreciation and thanks to Dr. Malika Oberoi who served two terms as Chief of Surgery from February 2018 to April 2024. Her leadership was integral to keeping our Operating Rooms safe through the pandemic. Drs. Ben Carrier and Ronnie Borsuk have stepped in as Interim Chief and Deputy Chief of Surgery.

WDMH continues to have a robust complement of credentialed staff, with a total of 230 members renewing their privileges for the 2024-2025 year commencing June 1, 2024. At that time, WDMH also said farewell to 22 Professional Staff who chose not to renew their privileges. Below is a departmental breakdown of our Professional Staff by primary service:

- 58 Medical Imaging Physicians
- 27 Surgical Staff, including surgeons from General Surgery, Urology, Plastic Surgery, Otolaryngology (ENT) and Surgical Assistants
- 46 Family Medicine Physicians, including 4 Physicians regularly providing GP Obstetrical Services
- 50 Medicine Physicians, including both internal medicine generalists and various sub-specialists from respirology, neurology, rheumatology, sleep medicine, nephrology, and oncology support for chemotherapy.
- 18 Emergency Medicine Physicians
- 14 Anaesthesia Physicians
- 6 Obstetricians/Gynecologists, including 2 Physicians providing obstetrical ultrasound interpretation only
- 11 Midwives

Respectfully,



Chief of Staff



ANNUAL REPORT OF THE QUALITY COMMITTEE 2023-2024

Winchester District Memorial Hospital (WDMH) has continued to work on quality initiatives to support patient care. Our goal is to improve each patient's experience and health outcomes by ensuring safe and quality care. The following is a summary of our achievements related to quality and safety in the last fiscal year.

Patient Care Improvement Plan (PCIP)

The PCIP outlines the yearly quality priorities that have been the focus of a number of change initiatives led by the care teams. The performance indicators selected for the 23-24 PCIP align with WDMH's Commitment Statement to deliver compassionate excellence close to home.

WDMH recently celebrated its 1-year implementation anniversary of Epic and we continue to learn about the multitude of capabilities it has. The new electronic system has enabled teams to have access to real-time data on a number of quality and safety indicators and has become a source of information for PCIP indicators and root cause analysis.

- **Hospital Acquired Delirium**

The overall annual performance indicates that the monthly rate remained under the 12% target. These results include 7 months where the rate was at 0%. Many of the interventions that were suspended due to COVID-19 were re-introduced, and expanded upon, allowing patients to be more engaged and mentally stimulated.

- **Medication Reconciliation Upon Discharge**

We continue to provide education to physicians who are not completing the medication reconciliation in totality but are able to report we achieved target of 86% in the last year. We continue to find ways to improve our completion rate within Epic.

- **Routine Notification Rate for Deceased Organ and Tissue Donation Within Specific Time Frames**

Reporting to Trillium Gift of Life is a crucial part in continuing patient care through the gift of organ and tissue donation. Education took place within each of the units about the importance of reporting to Trillium within 1 hour of a patient passing as well as incorporating processes to decrease risks associated to delays in reporting. The target of 80% has been surpassed. Reporting within 1 hour has now become more routine and will no longer need to be monitored hospital wide, but individually on each care team.

PCIP indicators which did not meet target but showed improvement include:

- **Antibiotic Medication Administration within 1 hour for Patients Diagnosed with Sepsis in the ER**

This indicator was analyzed in two parts, First Dose Antibiotics received from time of Order (part 1) and First Dose Antibiotics received from time of Triage (part 2). Part 1 trended well and exceeded the target. Although the target was not met, Part 2 has improved overall and trended toward the target goal. This indicator continues to be streamlined and will continue to be monitored by the ED Care Team.

- **Time to Inpatient Bed**

Both the 90th and 50th percentiles were included as indicators to this metric. Although the target was not reached, improvements were observed throughout the second half of the fiscal year. It is important to note that although internal targets were not achieved, the hospital has performed consistently better than

comparators for this metric. Clinical teams are continuously looking at improving this flow and decreasing wait times.

- **Mean Percentile Wait Time for CT Priority 4**

With the COVID-19 pandemic, many priority 4 CT scans were faced with long wait times. Efforts were made to increase CT hours coverage thereby increasing the number of appointments. This indicator saw an increase in the first 6 months of the fiscal year as long-awaiting cases were being completed and saw a tremendous decrease in the second half of the fiscal year, leading to ultimately reaching target by March 2024.

- **Operating Room Scheduling Accuracy**

Since EPIC implementation in the fall of 2022, this indicator has not achieved the target rate of 82% but has periods of improvement and has been trending positively over the last year. There is ongoing education with the surgeons' offices related to all the changes in booking cases in the EPIC system.

PCIP indicators that did not meet target include:

- **Workplace Violence Incidents**

The annual target for volume of incidents per full-time equivalent positions is 10%. During the 23-24 period, the rate achieved was 20%. Education continues, courses for Non-Violent Crisis Intervention continue to increase, and monthly mock CODE WHITE drills continue. The increase in staff education and awareness is reflected in the increased reporting.

- **Patient Satisfaction – Patient Centred**

A new electronic survey was launched in August for sectors such as ER, Maternity, Day Surgery and Inpatients. The hospital has focused on two key questions to monitor patient satisfaction: 'would you recommend this hospital to your family and friends?' and 'did you receive sufficient information at discharge?'. Ongoing analysis of the results is done through each care team to identify trends and opportunities for improvement.

For 2024-25, the new Patient Care Improvement Plan (PCIP) indicators will include the following indicators and targets:

- Medication Reconciliation Upon Discharge—92% or more
- Operating Room Scheduling Accuracy—82% or more
- Mean Percentile Wait Time for CT Priority 4—74 days or less
- New - Workplace Violence Incidents—Resulting in Lost Time—0%
- New - Emergency Department Left Without Being Seen—8% or less
- New - Adequate Information Received at Discharge (Completely Satisfied)- MS/ECU/OBS—80% or more
- New – 90th Percentile Emergency Department Length of Stay—8 hours or less (480 minutes)
- New – 90th Percentile Ambulance Off-Load Time—45 minutes or less
- New – Equity/Diversity/Inclusion/Anti-Racism Education—90% or more

Patient Safety/Quality Improvement Initiatives:

Many quality improvements and patient safety initiatives were implemented over the last year.

A few examples include:

Pharmacy Improvements – Underwent renovations to be compliant with College requirements.

Newborn Weight Calculations: Identifying the Rate of Gestational Age – Change in practice to improve process of identifying and classifying at-risk newborns. All newborns who meet the identified criteria will be validated by cross reference to The Canadian Perinatal Surveillance System-Birth Weight for Gestational Age Graph.

Musculoskeletal Disorders (MSD) Prevention and Ergonomics – Reporting and awareness of MSD are introduced as early as orientation, and continuing education through e-learning modules. When MSD are noted, all efforts from Employee Health Services and Managers are taken to improve the workspace for staff.

Urology Services – Urology procedures have been moved to the ambulatory care unit to improve OR utilization and flow of patients. Further improvements for the urology service we provide include urodynamic testing, uroflow and bladder scans.

Workplace Violence Prevention Committee – Workplace violence and safety has been added to every committee for discussion to allow for idea generation within each unit. Workplace assessment is being completed by each unit to better understand some of the challenges units face as well as determine how to better address concerns that are brought forward.

Pay for result – Emergency Department – Stemming from new ministry funding, WDMH initiated the implementation of a few strategies to help patient flow in the emergency department in December. This included additional nursing and physician hours during peak volume times.

Patient and Family Engagement Committee (PFEC)

The Patient & Family Engagement Committee (PFEC) remains vibrant with between 6 and 8 community members actively participating. Members are involved in the following initiatives:

Participation and involvement in various workgroups – Representatives sit on a number of committees and working groups, such as WDMH’s Recruitment and Retention Committee, Diagnostic Imaging mapping working groups, PFEC, and Senior Friendly Hospital Committee.

Interviews – Representatives have been involved in interviews for various positions in the hospital.

Hospital planning and Initiatives – The committee provides feedback on WDMH’s annual strategic priorities and the committee is consulted on any new clinical initiatives launched within the hospital.

Senior Friendly Committee

The Senior Friendly Hospital Committee continues to work on implementing key initiatives to support the needs of our senior patients. The following programs have been the focus of the team over the last year:

Appropriate Referrals – Ensuring that the patients who test positive for Confusion Assessment Method receive the appropriate referrals to physiotherapy, occupational therapy and pharmacy in a timely manner.

White Board – Work to have a whiteboard in every inpatient room is underway. This will support communication about treatment to patients and their visitors when staff are occupied with other patients.

Essential Care Partners – Work has been commenced on this regional initiative, which identifies a care person chosen by the patient to support them through their journey in hospital. A working group is in progress and more information will be available in the 2024-2025 year.

ALC Rounds – Pre-schedule interdisciplinary rounds have been organized to review care plans and discharge plans for ALC patients or “at-risk” patients.

Move On Program – This program aims to ambulate patients at least three times daily. The Senior Friendly Committee has created a sub-working group to determine how to increase the functionality of the program into every day and how to document appropriately.

Behavioural Support Ontario – Preliminary stages of exploring funding associated with Behavioural Support Ontario to provide geriatric support within our hospital to further strengthen our standard of care.

Conclusion

Over the next year, we will continue to focus on patient care initiatives to support quality care and provide a safe work environment. We are proud of the services we provide to our community and continue to pursue compassionate excellence in all we do.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "J. Milburn".

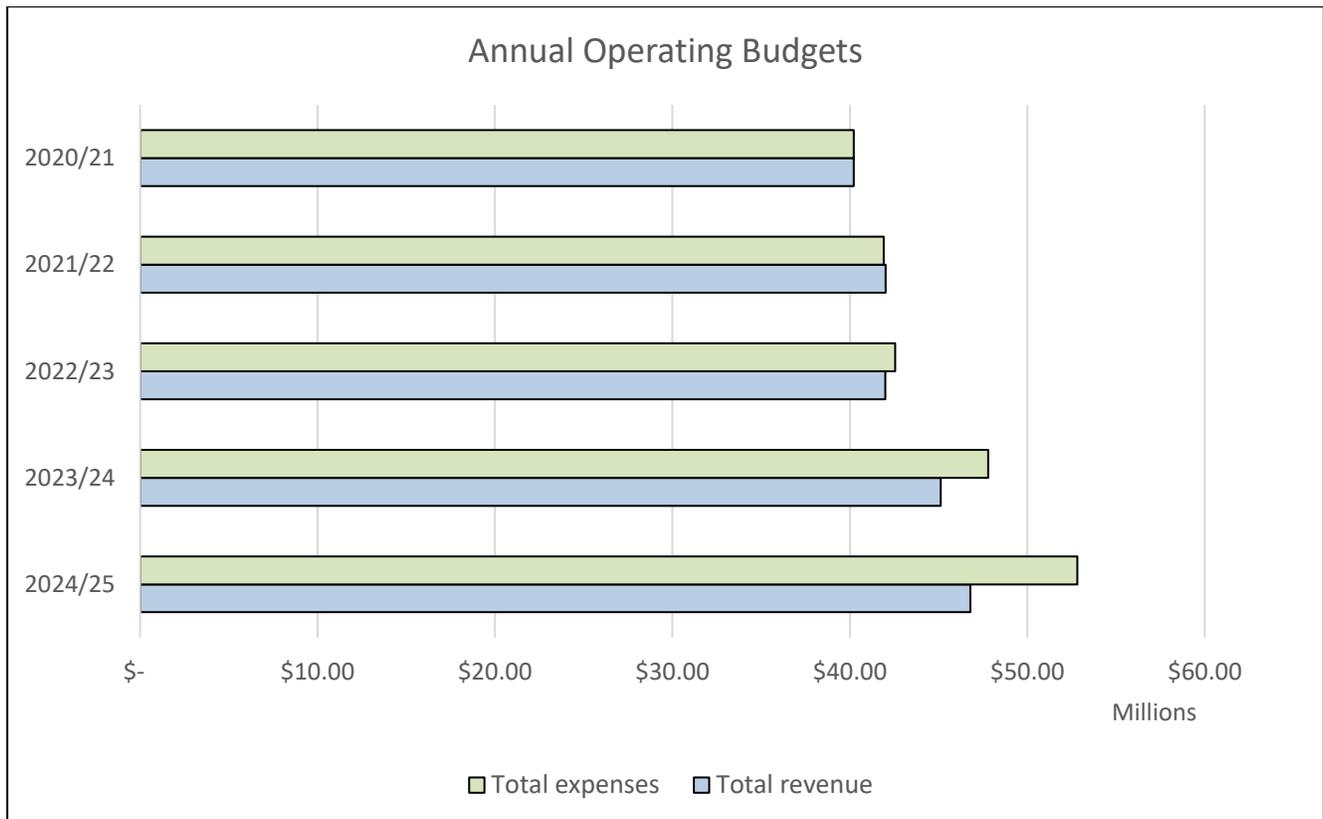
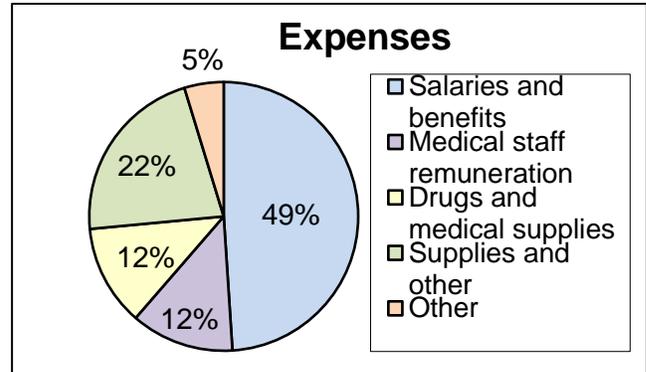
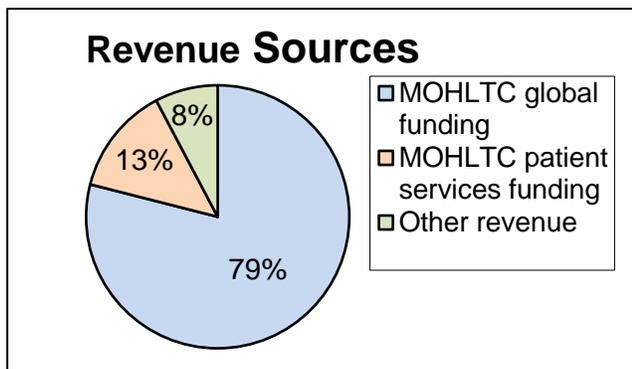
Jennifer Milburn
Chair, Quality Committee



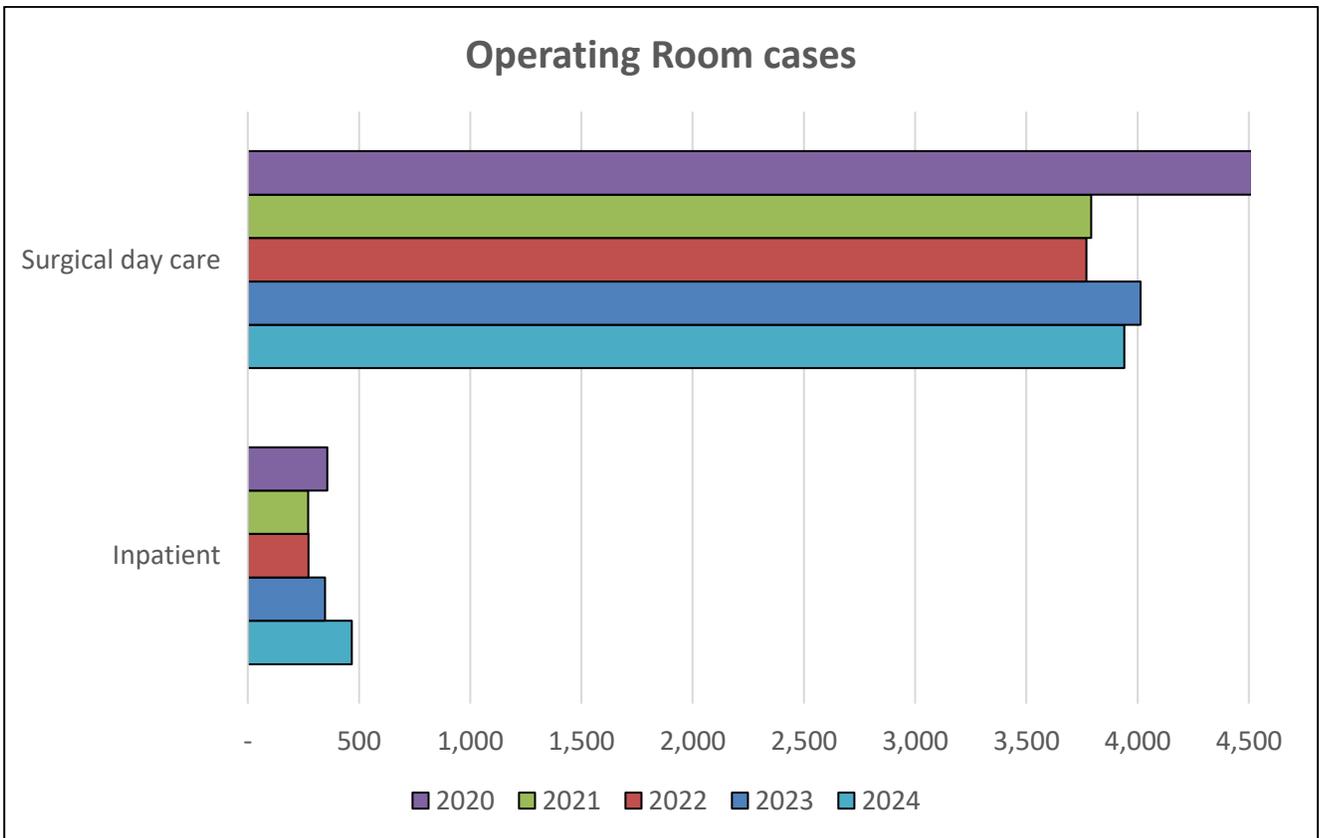
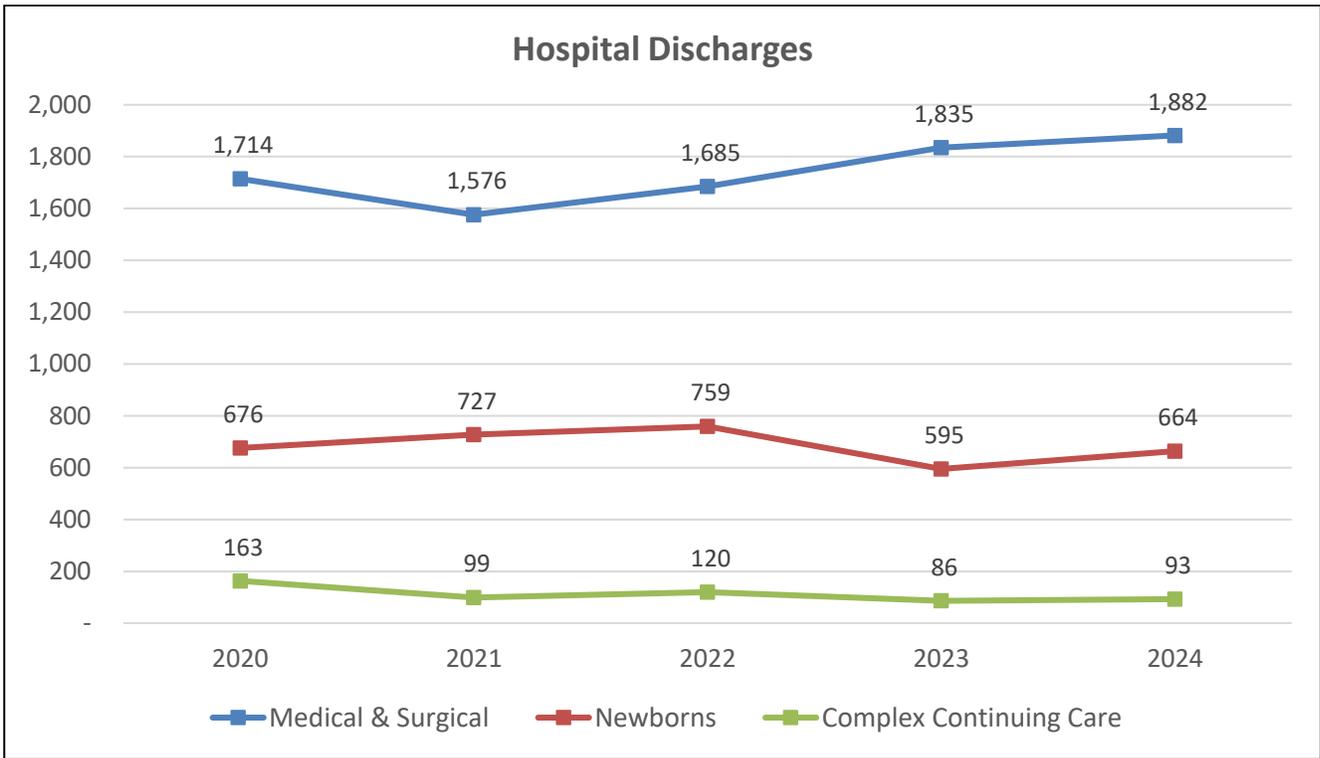
ANNUAL REPORT OF THE TREASURER 2023 – 2024

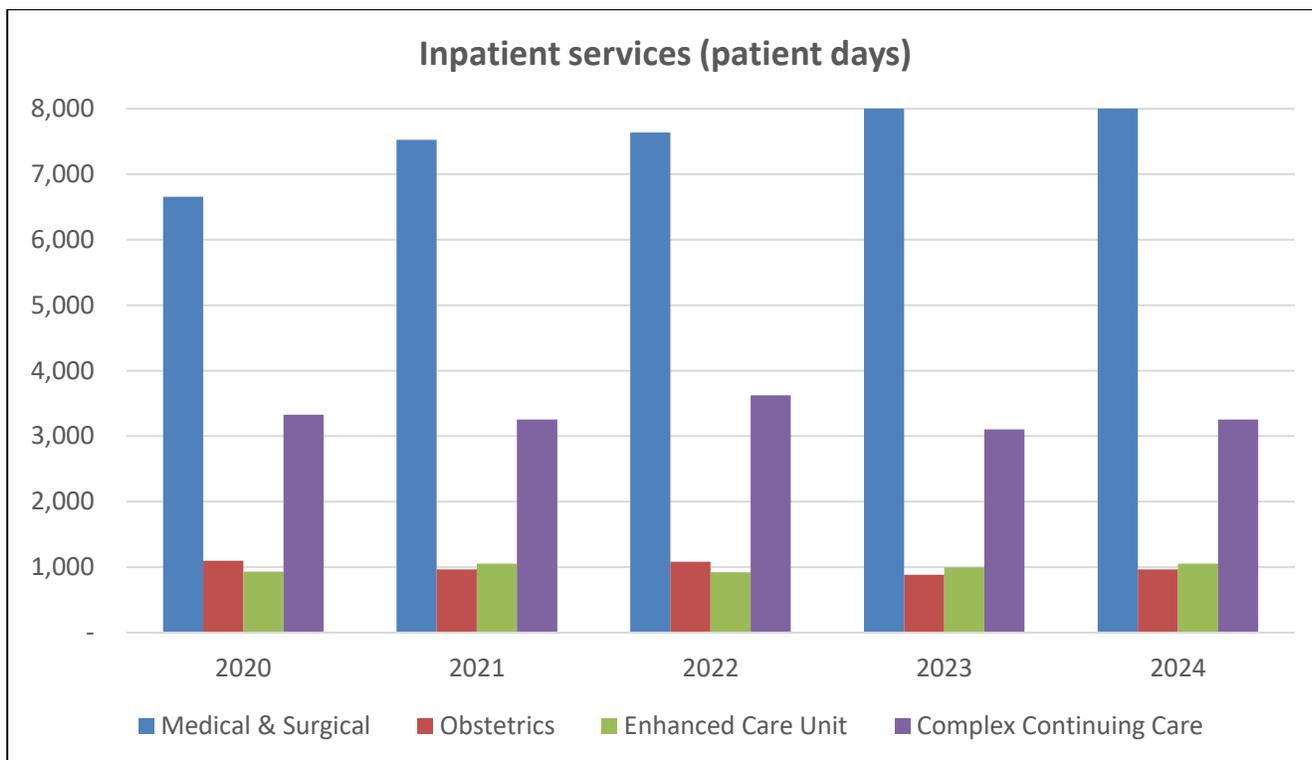
Financial Results:

The hospital reported a yearend deficit of \$3,034,753 from hospital operations and a total deficit of \$1,552,750 for March 31, 2024.



Activity:





Outpatient Services (Visits)

	2023/2024	2022/2023	2021/2022	2020/2021	2019/2020
Diagnostic Imaging	38,776	37,211	36,900	32,125	36,809
Emergency visits	23,166	23,103	21,964	19,554	23,625
Medical/Surgical Clinics	11,866	8,440	8,908	6,557	8,987
Hemodialysis	3,722	3,356	3,457	3,530	3,230
Ontario Breast Screening Program	3,293	2,869	2,590	1,570	2,735
Chemotherapy	2,016	2,292	2,447	2,542	2,304
Cardiology	2,472	2,150	1,862	1,562	1,576
Prenatal Clinic	1,194	1,236	1,899	1,754	2,057
Ophthalmology Clinic	581	1,203	656	356	1,615
Gynecology Clinic	1,025	671	705	528	1,462
COVID Assessment Centre	-	-	9,293	18,478	-

As Treasurer, I would like to take this opportunity to thank the entire Leadership Team.

Respectfully submitted,

Annik Blanchard
Treasurer



Fundraising for Excellence.
Dundas Manor Long-Term Care Home
Winchester District Memorial Hospital

ANNUAL REPORT OF THE WDMH FOUNDATION 2023-2024

The WDMH Foundation team is honoured to work with our generous donors to raise funds for Winchester District Memorial Hospital and Dundas Manor Long-Term Care Home. Here is a brief overview of just some of the wonderful ways our donors supported local health care this past year:

- The WDMH Foundation has written a cheque to Winchester District Memorial Hospital for **\$922,993.77** this year – almost one million dollars! Among other things, this money has been used to purchase **9** new pieces of equipment to care for patients, including two new sterilizers at a cost of over \$200,000 and a state-of-the-art mammography machine valued at about half a million dollars.
- Some donors choose to give a future gift to health care through **legacy or planned giving**. We are so grateful to donors who choose to remember WDMH or Dundas Manor this way. This past year, there were **11 estate gifts**, totaling almost **\$200,000**.
- Even in June, we are still thinking about **The Judy Lannin Christmas Wish Tree**. This annual tradition every December warms our hearts as families give in honour or memory of loved ones – all in support of our hospital. There were **394 gifts**, totaling **\$56,485**.
- Have you met Dunwin, our newest staff member? This gentle but gigantic elephant is showing up at more and more community-hosted events. These are events that individuals and community groups organize on our behalf. There were **21 such events** last year, which raised **\$457,479**. This includes the incredible Catch the Ace lottery organized by the Kin Club of Russell.
- Another cherished program at the WDMH Foundation is **Lynne's Club** - our monthly giving program. We have **151** active members. Since 2011, this program has raised more than **\$586,000**.
- Finally, there is the **Honour Your Caregiver Program** where grateful patients donate as a way of saying thank you to amazing WDMH staff. There were 160 gifts made this past year, totaling \$43,650.
- Next door to the hospital, it has also been a whirlwind year at **Dundas Manor Long-Term Care Home**. One year ago, we launched the **Expanding the Circle of Compassionate Care campaign** to help build the new Manor. From the Sapphires & Snowflakes gala ... to gnomes popping up on front lawns ... to the recently-launched Raise the Roof Lottery where you can win a shiny, red Jeep ... our community has stepped up to help build this special new home in our community.

The estimated cost of the new Dundas Manor is \$63 million, and the government is providing \$45 million. That means that our campaign goal is \$18 million. Today, our total stands at \$13.3 million and we will get to 18 – with everyone's help. Thank you to those who have already donated and to all those considering a gift to Dundas Manor.

In closing, thank you to the wonderful staff and physicians at Winchester District Memorial Hospital and Dundas Manor for your incredible care. Our appreciation is extended to the WDMH, Dundas Manor and WDMH Foundation Boards and volunteers for your commitment to health care close to home. And I am also grateful to my Foundation team for your fantastic work.

The WDMH Foundation has existed for thirty years. While much has changed over three decades, the basic premise of why we are here has not. We care for one another. We all want to have excellent care close to home. And we all know that it takes a village to make that happen. Thank you so much to our supportive communities who share their stories with us every day and tell us how grateful they are for health care close to home. We are honoured to work with all of you to help make our community even better.

Here's to a wonderful summer of raising funds for health care in our community!
Thank you!

A handwritten signature in blue ink, appearing to read 'Kristen Casselman', with a long, sweeping underline.

Kristen Casselman
Managing Director
WDMH Foundation



ANNUAL REPORT OF THE WDMH AUXILIARY 2023-2024

This past year, the WDMH Auxiliary has continued to carry on its proud tradition of assisting Winchester District Memorial Hospital (WDMH) through volunteering and fundraising.

Accomplishments:

- We discussed our Auxiliary going forward and all are in favour of “staying” the same. The WDMH Auxiliary bylaws must be redone within a year at the legal cost of \$3,000.
- Our Plant Sale in the lobby of WDMH was a success, raising \$670.
- Thank you to WDMH for the lovely Volunteer Appreciation Luncheon on June 12 at the Chesterville Legion.
- Two bursary applicants were chosen, both for \$750. One student from Osgoode Township High School and the other from Tagwi High School were presented with the bursaries.
- Our Gift Shoppe coordinators are Bev Beck and Lynn Dillabough. They will be training two other volunteers who will attend the Toronto Gift Show in August with them.
- Carol, our past Secretary is stepping down from that position, after many years. She did a wonderful job. We are grateful to new volunteer Kelly Durant who will take on this position.
- We are just starting to offer snacks again as patients often ask us.
- Gift Shoppe renovations will begin soon. Kaner Contracting is doing the work.
- Planned Fundraisers for 2024 include:
 - King size quilt raffle - Tickets available shortly and the draw will be December 13, 2024
 - 50/50 Draw - Tickets available shortly and the draw will be December 13, 2024.
 - 6 Christmas Wreaths have been donated and will be available in November.
 - The Annual Bazaar will be September 27, 2024 in the WDMH Lobby.
 - We are applying to be the beneficiary for the M & M fundraiser in three stores: Russell, Embrun and Rockland.
- Plans are underway for our Annual Fashion Show to be held Saturday October 26, 2024 at the Morrisburg Legion.
- Karen, our Treasurer, emailed the Financial Updates and Fiscal Year Budget Performances to all Auxiliary members. There were no questions asked.
- Karen moved a motion to make a \$50 donation to the WDMH Auxiliary in memory of an active or past Auxiliary member. The motion passed.
- In Lynn’s absence, Bev made motion to approve a Gift Shoppe budget of \$15-20,000 for the August Gift Show. The motion passed.

The next meeting is Tuesday, September 10, 2024 at 1 pm at WDMH.

We extend our thanks to our amazing WDMH family for their work over the past year.

Louise Arsenault
Chair
WDMH Auxiliary

Financial Statements of

**WINCHESTER DISTRICT
MEMORIAL HOSPITAL**

And Independent Auditor's Report thereon

Year ended March 31, 2024

DRAFT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the Winchester District Memorial Hospital

Opinion

We have audited the financial statements of the Winchester District Memorial Hospital, which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the “financial statements”).

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Winchester District Memorial Hospital as at March 31, 2023, and its results of operations, changes in net assets, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

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 auditor’s report.

We are independent of the Winchester District Memorial 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 Canadian accounting standards for not-for-profit organizations, 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 Winchester District Memorial 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 Winchester District Memorial Hospital or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Winchester District Memorial 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 the financial statements.

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 Winchester District Memorial 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 Winchester District Memorial 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 Winchester District Memorial Hospital to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- 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.

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

Date

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ —	\$ 744,716
Accounts receivable (note 2)	3,987,980	2,684,861
Due from related entities (note 3(b))	246,646	79,688
Inventories of supplies	674,124	652,207
Prepaid expenses	699,236	1,050,361
	<u>5,607,986</u>	<u>5,211,833</u>
Capital assets (note 4)	53,889,298	57,517,498
	<u>\$ 59,497,284</u>	<u>\$ 62,729,331</u>

Liabilities, Deferred Contributions and Net Assets

Current liabilities:		
Bank indebtedness	\$ 688,650	\$ —
Short-term borrowing (note 6)	2,717,202	2,915,545
Accounts payable and accrued liabilities	10,513,039	12,049,310
Deferred revenue	336,660	170,249
	<u>14,255,551</u>	<u>15,135,104</u>
Employee future benefits (note 5)	2,373,598	2,328,262
Deferred capital contributions (note 7)	41,910,884	42,755,964
Total liabilities	<u>58,540,033</u>	<u>60,219,330</u>
Net assets:		
Invested in capital assets (note 8)	12,864,215	15,627,218
Restricted	331,625	331,625
Unrestricted deficiency	(12,238,589)	(13,448,842)
	<u>957,251</u>	<u>2,510,001</u>
Commitments, contingencies and guarantees (note 11)		
	<u>\$ 59,497,284</u>	<u>\$ 62,729,331</u>

See accompanying notes to financial statements.

On behalf of the Board:

President and Chairman

Chief Executive Officer

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Revenue:		
Ontario Ministry of Health:		
Base funding	\$ 30,516,594	\$ 29,930,492
OHIP funding	6,701,967	5,702,392
Satellite program	4,833,046	3,897,580
One-time funding	4,430,479	2,245,488
Recoveries and other	2,280,415	2,660,199
Other patient	725,471	531,181
Amortization of deferred contributions related to equipment (note 7)	881,452	802,088
Investment	2,878	3,435
	50,372,302	45,772,855
Expenses:		
Salaries and wages	19,689,056	18,808,615
Supplies and other	11,625,881	10,306,356
Employee benefits	6,463,625	5,910,396
Medical staff remuneration	6,620,087	5,891,460
Drugs and medical gases	4,836,624	4,028,959
Medical and surgical supplies	1,648,519	1,567,453
Amortization of equipment	2,293,833	1,393,052
Rental/lease of equipment	160,005	174,101
Bad debts	69,425	52,268
	53,407,055	48,132,660
Excess (deficiency) of revenue over expenses before undernoted items	(3,034,753)	(2,359,805)
Reimbursement of prior year Bill 124 costs (note 11 (e))	1,725,010	-
Other vote programs:		
Dillabough Centre operations (note 9)	(36,876)	(19,086)
Municipal taxes	-	4,050
Amortization of deferred contributions related to buildings (note 7)	1,504,809	1,480,171
Amortization of buildings	(1,870,940)	(1,843,924)
Management fee from Rural Healthcare Innovations (note 3(a))	160,000	170,000
	(243,007)	(208,789)
Deficiency of revenue over expenses	\$ (1,552,750)	\$ (2,568,594)

See accompanying notes to financial statements.

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Statement of Changes in Net Assets

Year ended March 31, 2024, with comparative information for 2023

	Invested in capital assets (note 7)	Restricted	Unrestricted	2024 Total	2023 Total
Balance, beginning of year	\$ 15,627,218	\$ 331,625	\$ (13,448,842)	\$ 2,510,001	\$ 5,078,595
Deficiency of revenue over expenses	–	–	(1,552,750)	(1,552,750)	(2,568,594)
Purchase of capital assets (note 4)	1,437,473	–	(1,437,473)	–	–
Loss on disposal of capital assets (note 4)	(1,195)	–	1,195	–	–
Sale of land (note 3(c))	(882,500)	–	882,500	–	–
Amortization of capital assets (note 4)	(4,181,978)	–	4,181,978	–	–
Amortization of deferred capital contributions (note 7)	2,386,261	–	(2,386,261)	–	–
Deferred capital contributions used (note 7)	(1,521,064)	–	1,521,064	–	–
Balance, end of year	\$ 12,864,215	\$ 331,625	\$ (12,238,589)	\$ 957,251	\$ 2,510,001

See accompanying notes to financial statements.

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used for):		
Operating activities:		
Deficiency of revenue over expenses	\$ (1,552,750)	\$ (2,568,594)
Items not involving cash:		
Amortization of capital assets	4,181,978	3,254,180
Amortization of deferred capital contributions (note 7)	(2,386,261)	(2,282,259)
Loss on disposal of capital assets (note 4,13)	1,195	12,883
Net increase in employee future benefits liability (note 5)	45,336	92,665
Net change in non-cash working capital (note 10)	(2,510,729)	5,537,890
	(2,221,231)	4,046,765
Capital activities:		
Deferred capital contributions received (note 7)	1,541,181	675,488
Purchase of capital assets	(1,437,473)	(5,709,452)
Sale of land (note 3 (c))	882,500	—
	986,208	(5,033,964)
Financing activities:		
Net increase (decrease) in short-term borrowings	(198,343)	1,391,511
Net increase (decrease) in cash	(1,433,366)	404,312
Cash, beginning of year	744,716	340,404
Cash (bank indebtedness), end of year	\$ (688,650)	\$ 744,716

See accompanying notes to financial statements.

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements

Year ended March 31, 2024

The Winchester District Memorial Hospital (the "Hospital") was incorporated in 1944 under the laws of Ontario, and commenced operations on December 28, 1948. The Hospital is a community-based organization providing acute and chronic care services for the residents of its service area. The Hospital is a registered charity and is exempt from income tax under the Income Tax Act (Canada).

These financial statements reflect the assets, liabilities and operations of the Hospital. They do not include the assets, liabilities or operations of WDMH Foundation or its auxiliaries which, although associated with the Hospital, are separately managed, and report to separate Boards of Trustees.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Public Sector Accounting Standards including the 4200 standards for government not-for-profit organizations and include the following significant accounting policies:

(a) Basis of presentation:

The Hospital follows the deferral method of accounting for government not-for-profit organizations.

(b) Revenue recognition:

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 Ontario Ministry of Health ("MOH"). 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.

Revenue from the Ontario Health Insurance Plan ("OHIP"), other patient care and marketed services, is recognized when the goods are sold, or the service is provided.

The Hospital receives funding for operations for certain programs from the MOH. The final amount of operating revenue recorded cannot be determined until the MOH has reviewed the Hospital's financial and statistical returns for the year. Any adjustments arising from the MOH review is recorded in the period in which the adjustment is made.

Externally restricted contributions are recognized as revenue in the year in which the conditions for the restriction have been met. 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.

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.

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(b) Revenue recognition (continued):

Revenues related to the sale of goods or provision of services are recognized in the year in which the underlying transaction or event occurred, performance obligations fulfilled, and future economic benefits are measurable and expected to be obtained. These revenues include patient services, recoveries, and other revenues.

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. Management has not elected to carry any of its financial instruments at fair value.

Unrealized changes in fair value are recognized in the statement of remeasurement gains and losses until they are realized, when they are transferred to the statement of operations. The Hospital does not have any amounts to record on the statement of remeasurement gains and losses and therefore this statement has not been included in these financial statements.

Financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

All financial assets are assessed for impairment on an annual basis. When a decline is determined to be other than temporary, the amount of the loss is reported in the statement of operations and any unrealized gain is adjusted through the statement of remeasurement gains and losses.

When the asset is sold, the unrealized gains and losses previously recognized in the statement of remeasurement gains and losses are reversed and recognized in the statement of operations.

The Standards require the Hospital to classify fair value measurements using a fair value hierarchy, which includes three levels of information that may be used to measure fair value:

- Level 1 – Unadjusted quoted market prices in active markets for identical assets or liabilities;
- Level 2 – Observable or corroborated inputs, other than level 1, such as quoted prices for similar assets or liabilities in inactive markets or market data for substantially the full term of the assets or liabilities; and
- Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets and liabilities.

A statement of remeasurement gains and losses is not presented in these financial statements as the Hospital does not have financial instruments requiring remeasurement.

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(d) Foreign currency transactions

Transactions involving foreign currencies are converted into Canadian dollar equivalents using rates of exchange in effect at the time of the transactions.

(e) Capital assets:

Purchased capital assets, other than minor equipment, are recorded at cost.

Minor equipment replacements are expensed in the year of replacement. Assets under construction are capitalized and are not amortized until the project is complete and the assets are ready for productive use.

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 a straight-line basis over the expected useful life as follows:

Asset	Term
Buildings	20 to 50 years
Hospital equipment	3 to 20 years

(f) Employee future benefits:

The Hospital provides defined retirement and other future benefits for substantially all retirees and employees. These future benefits include life insurance and health care benefits.

The Hospital accrues its obligations under the defined benefit plans as the employees render the services necessary to earn the other retirement benefits. The actuarial determination of the accrued benefit obligations for other retirement benefits uses the projected benefit method prorated on service (which incorporates management's best estimate of future salary levels, other cost escalation, retirement ages of employees and other actuarial factors). The most recent actuarial valuation of the benefit plans for funding purposes was as of March 31, 2022, and the next required valuation will be as of March 31, 2025.

Actuarial gains (losses) on plan assets arise from the difference between the actual return on plan assets for a period and the expected return on plan assets for that period. Actuarial gains (losses) on the accrued benefit obligation arise from differences between actual and expected experience and from changes in the actuarial assumptions used to determine the accrued benefit obligation. The net accumulated actuarial gains (losses) are amortized over the average remaining service period of active employees. These defined benefit plans are not funded.

The average remaining service period of active employees covered by the employee benefit plans is 11.17 years (2023 – 15.21 years).

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(f) Employee future benefits (continued):

Past service costs arising from plan amendments are recognized immediately in the period the plan amendments occur.

The Hospital is an employer member of the Healthcare of Ontario Pension Plan, which is a multi-employer, defined benefit pension plan. The Hospital has adopted defined contribution plan accounting principles for this Plan because insufficient information is available to apply defined benefit plan accounting principles.

(g) Inventories of supplies:

Inventories of supplies are stated at the lower-of-cost and the net realizable amount. Inventory is determined on the average basis, less a provision for any obsolete or unusable inventory on hand.

(h) Contributed services:

A substantial number of 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.

(i) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Actual results could differ from these estimates. These estimates are reviewed annually and as adjustments become necessary, they are recognized in the financial statements in the period they become known.

Amounts subject to significant estimates include the assumptions used in determining the employee future benefits liability and Ministry of Health pandemic funding (note 13).

(j) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance are measured at the exchange amount when they are in the normal course of business, except when the transaction is a non-monetary exchange of a product or property held for sale in the normal course of operations. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount.

All other related party transactions are measured at the carrying amount.

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(k) Adoption of new accounting standards

The Hospital has adopted the following new public sector accounting standard in the year.

PS 3400 – Revenue:

On April 1, 2023, the Hospital adopted Public Sector Accounting Standard PS 3400 – Revenue. This standard was adopted prospectively from the date of adoption. This new standard provides requirements for the recognition, measurement, presentation, and disclosure of revenue transactions.

The implementation of these standards did not require the Hospital to reflect any adjustments in these financial statements.

2. Accounts receivable:

	2024	2023
Ontario Ministry of Health	\$ 2,215,334	\$ 708,276
Ontario Health Insurance Plan	379,496	379,011
Other	1,468,150	1,647,574
	4,062,980	2,734,861
Less allowance for doubtful accounts	75,000	50,000
	\$ 3,987,980	\$ 2,684,861

3. Related party transactions:

(a) The Winchester District Memorial Hospital Auxiliary:

The Hospital has an economic interest in the Winchester District Memorial Hospital Auxiliary (the “Auxiliary”). The Auxiliary participates in fundraising activities to provide funding for the purchase of equipment for the Hospital. During 2024, the Auxiliary provided \$162,747 (2023 - \$68,884) in donations to the Hospital. Of this donated amount, \$ 153,918 (2023 - \$75,544) has been included in deferred contributions related to capital assets.

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2024

3. Related party transactions (continued):

(b) The Winchester District Memorial Hospital Foundation:

The Hospital has an economic interest in the Winchester District Memorial Hospital Foundation (the "Foundation"). The Foundation raises, receives and maintains funds for the financing of major equipment, capital construction or needed renovations of the Hospital and Rural Healthcare Innovations. During 2024, the Foundation provided \$922,994 (2023 - \$1,393,828) in donations to the Hospital. Of this donated amount, \$65,938 (2023 - \$670,431) has been included in other revenue and \$857,056 (2023 - \$723,398) has been included in deferred capital contributions related to capital assets. As at March 31, 2024, the Foundation owes the Hospital \$246,646 (2023 - \$79,688) for its share of expenses incurred during the year and donations to be paid.

The assets, liabilities and results of operations for the Foundation for the year ended March 31 are as follows:

	2024	2023
Financial position:		
Total assets	\$ 8,391,150	\$ 7,165,163
Total liabilities	\$ 293,131	\$ 144,679
Net assets	8,098,019	7,020,484
Total liabilities and net assets	\$ 8,391,150	\$ 7,165,163
Results of operations:		
Total revenue	\$ 6,868,753	\$ 1,699,205
Total operating expenses	993,963	704,072
Total contributions to the Hospital	4,797,255	1,143,828
Excess (deficiency) of revenue over expenses	\$ 1,077,535	\$ (148,695)

(c) Rural Healthcare Innovations:

Winchester District Memorial Hospital (the "Hospital") is related to Rural Healthcare Innovations ("RHI") by virtue of having common executive management personnel. RHI is a registered charity and is incorporated under the laws of Ontario.

The Hospital had a short-term loan receivable of NIL from RHI which was non-interest bearing, unsecured and had no fixed terms of repayment. In the year, RHI paid off the entire balance of this loan receivable.

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2024

3. Related party transactions (continued):

(c) Rural Healthcare Innovations (continued):

In the year, the Hospital charged a management fee to RHI of \$160,000 (2023 - \$170,000) to reimburse the Hospital for management and other services. Any other operating transactions between the Hospital and RHI are recorded at the exchange amount. At year-end, the Hospital had an accounts receivable of \$246,646 (2023 - \$168,100) from RHI.

In the year, the Hospital sold land to RHI for the construction of the new Dundas Manor building with a net book value of \$882,500. The Hospital received cash proceeds of \$882,500 for the sale in the year ending March 31, 2024.

RHI controls Dundas Manor Limited, a private company by virtue of owning 100% of its common shares. The Hospital had no transactions directly with Dundas Manor Limited in the year.

4. Capital assets:

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 165,373	\$ –	\$ 165,373	\$ 1,047,873
Buildings:				
Hospital	72,256,948	27,295,080	44,961,868	45,989,150
Dillabough Centre	996,785	440,883	555,902	573,107
Total land and buildings	73,419,106	27,735,963	45,683,143	47,610,130
Hospital equipment	25,969,818	17,799,974	8,169,844	9,428,222
Assets under construction	36,311	–	36,311	479,146
	\$ 99,425,235	\$ 45,535,937	\$ 53,889,298	\$ 57,517,498

Cost and accumulated amortization at March 31, 2023 amounted to \$99,109,757 and \$41,592,258, respectively.

During the year, the Hospital disposed of capital assets with a cost of \$250,292 (2023 - \$419,717) and accumulated amortization of \$249,097 (2023 - \$413,575) resulting in a loss on disposal of capital assets of \$1,195 (2022 - \$12,883), which has been included in amortization expense.

In the year, the Hospital sold land with a net book value of \$882,500 to RHI as disclosed in note 3(c).

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2024

5. Employee future benefits:

(a) Health, dental and life insurance plans

The Hospital provides extended health care and dental insurance benefits to its employees and extends this coverage to the post-retirement period. The measurement date used to determine the accrued benefit obligation is March 31, 2024. The most recent actuarial valuation of employee future benefits was completed as at March 31, 2024.

At March 31, 2024, the Hospital's liability associated with the benefit plan is as follows:

	2024	2023
Accrued benefit obligation	\$ 2,492,666	\$ 2,209,251
Unamortized experience gains (losses)	(119,068)	119,011
Employee future benefit liability	\$ 2,373,598	\$ 2,328,262

The Hospital's defined benefit plan is not funded, resulting in a plan deficit equal to the accrued benefit obligation.

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

	2024	2023
Discount rate	3.95%	4.04%
Dental cost increases	4.00%	4.00%
Extended healthcare cost escalations	8.00%	8.00%
Expected average remaining service life of employees	11.17 years	15.21 years

The employee future benefit liability change is comprised of:

	2024	2023
Current service cost	\$ 122,139	\$ 129,080
Interest on accrued benefit obligation during the year	89,513	86,771
Amortization of net experience losses	(13,524)	(1,539)
Benefit payments made by the Hospital during the year	(152,792)	(121,647)
	\$ 45,336	\$ 92,665

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2024

5. Employee future benefits (continued):

(b) Healthcare of Ontario Pension Plan:

Substantially all full-time employees of the Group are eligible to be members of the Healthcare of Ontario Pension Plan (the "Plan"). This Plan is a multi-employer, defined benefit pension plan. Employer contributions to the Plan during the year amounted to \$1,686,660 (2023 - \$1,567,588). These amounts are included in employee benefits expense in the statement of operations.

Pension expense is based on Plan management's best estimates, in consultation with its actuaries, of the amount, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The most recent triennial actuarial valuation of the Plan as at December 31, 2021, indicates the Plan is fully funded

6. Short-term borrowing:

The Hospital has revolving demand loans of \$6,000,000 and \$3,000,000 which bear interest at prime plus 0.75%. At March 31, 2024, the Hospital has drawn \$2,717,202 (2023 - \$2,915,545) on this facility.

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2024

7. Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized amount and unspent amount of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations.

The changes in the deferred balance for the year are as follows:

	2024	2023
Balance, beginning of year	\$ 42,755,964	\$ 44,362,735
Add contributions received during the year	1,541,181	675,488
Less amounts amortized for buildings	(1,504,809)	(1,480,171)
Less amounts amortized for equipment	(881,452)	(802,088)
	\$ 41,910,884	\$ 42,755,964

The balance of unamortized and unspent funds consists of the following:

	2024	2023
Unamortized capital contributions	\$ 41,025,083	\$ 41,890,280
Unspent contributions	885,801	865,684
	\$ 41,910,884	\$ 42,755,964

In the year, the Hospital used \$1,521,064 (2023 - \$1,115,753) of unspent deferred capital contributions for the acquisition of capital assets.

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2024

8. Net assets invested in capital assets:

	2024	2023
Capital assets	\$ 53,889,298	\$ 57,517,498
Less amounts financed by deferred contributions (note 7)	(41,025,083)	(41,890,280)
	\$ 12,864,215	\$ 15,627,218

9. Dillabough Centre Operations:

	2024	2023
Rental revenue	\$ 64,129	\$ 59,583
Rental operating costs	83,800	61,466
Amortization of capital assets	17,205	17,204
Total expenses	101,005	78,670
Deficiency of revenue over expenses	\$ (36,876)	\$ (19,087)

10. Change in non-cash operating working capital:

	2024	2023
Accounts receivable	\$ (1,303,119)	\$ 1,936,309
Due from related entities	(166,958)	60,295
Inventories of supplies	(21,917)	9,816
Prepaid expenses and deposits	351,125	116,054
Accounts payable and accrued liabilities	(1,536,271)	3,357,687
Deferred revenue	166,411	57,729
	\$ 2,510,729	\$ 5,537,890

11. Commitments, contingencies and guarantees:

(a) Legal matters and litigation

The nature of the Hospital's activities is such that there is usually litigation pending or in prospect at any time. There were no specific claims noted by Management at year-end and any potential claims are covered under the Hospital's insurance policy. No provision has been made for a loss in these financial statements, and any potential claims will not have a material adverse effect on the statement of financial position or results of operations.

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2024

11. Commitments, contingencies and guarantees (continued):

(b) Healthcare Insurance Reciprocal of Canada:

A group of hospitals, including the Hospital, have formed the Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is a pooling of the public liability insurance risks of its members. All members of the pool pay annual premiums which are actuarially determined. All members are subject to assessment for losses in excess of such premiums, if any, experienced by the pool for the years in which they were members, and these losses could be material. No reassessments have been made to March 31, 2024.

(c) Indemnification of Directors:

To the extent permitted by law the Hospital indemnifies present and former directors and officers against certain claims that may be made against them as a result of their service as directors or officers. The Hospital purchases directors' and officers' liability insurance that may be available in certain instances. The nature and likelihood of these arrangements preclude the Hospital from making a reasonable estimate of the maximum potential amount the Hospital could be required to pay to counterparties. The Hospital believes the likelihood that it will incur significant liability under these arrangements is remote and accordingly, no amount has been recorded in the financial statements for these guarantees.

(d) Employment matters:

During the normal course of operations, the Hospital is involved in certain employment related negotiations and other matters and has recorded accruals based on management's estimate of potential settlement amounts where these amounts are reasonably determinable and deemed likely to occur.

(e) Bill 124:

On November 29, 2022, the Ontario Superior Court rendered a decision to declare the *Protecting a Sustainable Public Sector for Future Generations Act, 2019*, known as Bill 124, to be void and of no effect. On December 29, 2022, The Province of Ontario appealed the Superior Court's decision, but the Government has not sought a stay of decision. This ruling triggered reopener provisions that required renewed negotiations with certain labour groups on compensation for the years that were previously capped by the legislation. The Hospital has made payments as required for settled contracts, and recorded liabilities based on subsequent settlement amounts and management's estimate of potential settlement amounts.

In the year, the Ministry of Health provided funding to the Hospital to partially offset the cost of both the retroactive adjustments related to prior years, and the current year impact on salaries and wages. The funding received with respect to the retroactive adjustments is presented separately in the statement of operations. The Ministry of Health has not committed to providing funding to offset the additional costs related to the impact of Bill 124.

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2024

12. Financial risks:

The Hospital is subject to the following risks from its financial instruments:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Hospital is exposed to this risk relating to its cash, investments, and accounts receivable. The Hospital holds its cash accounts with federally regulated chartered banks who are insured by the Canadian Deposit Insurance Corporation.

The Hospital's receivables are with governments, government funding agencies, patients and residents and corporate entities. The Hospital believes that these receivables do not have significant credit risk in excess of allowances for doubtful accounts that have been established.

(b) 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. Accounts payable and accrued liabilities are generally due within 30 days of receipt of an invoice.

The Hospital's liquidity risk has increased in the year due to the effect of operating losses on its overall liquidity, requiring the Hospital to short-term borrow on its line of credit. The Hospital will require sufficient and timely funding from the Ministry of Health to fulfil its obligations on a timely basis and at a reasonable cost.

(c) 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 market factors. Market factors include three types of risk: currency risk, interest rate risk and other price risk.

(i) Interest rate risk:

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. The Hospital is exposed to this risk through its short-term borrowing as disclosed in note 6.

WINCHESTER DISTRICT MEMORIAL HOSPITAL

Notes to Financial Statements (continued)

Year ended March 31, 2024

12. Financial risks and concentration of risk (continued):

(c) Market risk (continued):

(ii) Currency and other price risk:

The Hospital believes it is not subject to significant currency or other price risk from its financial instruments as it holds insignificant amounts in foreign currencies and does not hold investments traded in an active market.

Other than liquidity risk disclosed above, the Hospital's financial risks arising from its financial instruments have not changed significantly in the year. Management believes that its financial risks are appropriately mitigated and do not pose a significant risk to the Hospital's operations in the near term. There have been no significant changes in the policies, procedures and methods used to manage these risks in the year.

13. Comparative information:

Certain 2023 comparative information has been reclassified to conform with the financial statement presentation adopted for 2024.